

**THE CONCEPT OF REGIONAL COMPETITIVENESS AND ITS
ECONOMIC CONTENT
(as an example of Khorezm region)**

Trainee Lecturer, Independent Researcher

Department of Business and Management, Faculty of Socio-Economic Sciences

Urgench State University named after Abu Rayhan Beruni

Narmetova Dilafruz Azamatovna

Tel: +998937407788 *E-mail:* narmetovadilafruzazamatovna@gmail.com

Abstract. This thesis examines the concept of regional competitiveness and its economic content from a theoretical perspective, using the case of the Khorezm region. The study evaluates the region's economic potential, the efficiency of resource utilization, and the key factors determining its competitive advantages. Furthermore, priority directions and practical recommendations aimed at enhancing regional competitiveness are developed.

Keywords: competitiveness, regional competitiveness index, agrotourism, industrial zone, regional competitiveness.

Introduction. Competitiveness is one of the fundamental economic categories within market relations, and it is formed at the levels of products, enterprises, industries, regions, and countries. In the context of increasing interdependence and interconnection of economic processes, regional competitiveness occupies a distinct and important place within the hierarchy of competitiveness [1].

Today, regional competitiveness is considered a key factor in the development of regional economies. In the Republic of Uzbekistan, enhancing the economic potential of regions, reducing interregional disparities, and enabling each region to develop its own competitive advantages are among the priority objectives of state policy.

The Khorezm region, located in the northwestern part of Uzbekistan, is distinguished by its rich historical and cultural heritage, agricultural potential, and tourism opportunities. Analyzing the region's economic development and identifying ways to enhance its competitiveness constitute a relevant scientific and practical task.

Main Part. The concept of competitiveness is one of the most important and extensively studied categories in economic science. In a market economy, competitiveness is a necessary condition for the successful functioning of any economic entity [2].

Various definitions of competitiveness exist in the economic literature. According to Michael Porter, competitiveness is the ability to withstand competition with other

analogues. At the regional level, this concept reflects the ability of a region to efficiently utilize its existing factors of production, apply current competitive advantages, and create new ones.

Regional competitiveness is defined as the productivity with which a region utilizes its territorial resources—primarily labor and capital—compared to other regions. It is reflected in the level and dynamics of gross regional product (GRP) per capita [3].

The main factors ensuring regional competitiveness can be classified as follows: natural resource factors (land, water, climate, minerals); infrastructure factors (transport, energy, communications); human capital (education, health, skills); institutional factors (tax policy, legal environment, government support); and scientific and technological potential (innovation, technologies).

In leading countries of the world, various indices and rankings are used to assess regional competitiveness. In particular, the Regional Competitiveness Index (RCI) developed by the European Union covers economic performance, labor markets, innovation, institutional environment, and other factors [4].

The Khorezm region is one of the regions in Uzbekistan that has experienced significant acceleration in its socio-economic development in recent years. The region stands out for its industrial sector, agricultural capacity, and tourism potential.

In the structure of Gross Regional Product (GRP), the share of agriculture, forestry, and fisheries accounts for 34.8%, the share of the industrial sector (including construction) is 24.9%, and the share of the services sector is 40.3%. These indicators demonstrate that the regional economy is diversified; however, the agricultural sector still retains significant importance [5].

The competitive advantages of the Khorezm region can be analyzed based on Porter's Diamond Model: **Factor Conditions**. The region has an adequate supply of labor resources. As of January 1, 2026, the population of the region amounts to 2,069,220 people. There are 27,729 enterprises and organizations operating in the region. In the field of education, more than 40 branches of higher education institutions and training centers are functioning in the region. **Demand Conditions**. The purchasing power of the regional population is increasing. In 2024, retail trade turnover increased by 109.7% compared to 2023. The services sector recorded a growth rate of 115.2%. **Related and Supporting Industries**. A cluster of agriculture and related service industries is being formed in the region. The agro-industrial complex, food industry, and agricultural machinery repair sectors are developing. **Firm Strategy, Structure, and Rivalry**. Entrepreneurial activity in the region is developing rapidly. There are 23,748 small business entities operating. State programs to support entrepreneurship are being implemented.

The following problems and barriers exist in improving the competitiveness of the Khorezm region [6]: Limited availability of mineral resources and insufficient industrial raw material base; Underdeveloped transport infrastructure and large distances between the regional center and other territories; Low level of industrial diversification and insufficient number of enterprises for processing agricultural products; Shortage of qualified personnel and labor migration; Low level of innovative activity and insufficient investment in research and development; Underdeveloped tourism infrastructure.

Improving the competitiveness of the Khorezm region involves the following key directions:

1. Development of the agro-industrial complex. It is necessary to establish deep processing enterprises for agricultural products in the region, expand the production of export-oriented agricultural goods, and introduce modern irrigation systems. There are opportunities to develop aquaculture in Bogot district and expand poultry farming in Qo'shko'pir district.
2. Development of tourism potential. The inclusion of the city of Khiva in the UNESCO World Heritage List creates significant opportunities for tourism development. It is necessary to develop agro-tourism, eco-tourism, and cultural-historical tourism, as well as improve hotel and restaurant services.
3. Development of industrial zones. It is planned to transform 175 hectares of land in Qo'shko'pir district into an industrial zone and establish new enterprises in the fields of electrical engineering, chemicals, mechanical engineering, and pharmaceuticals. This will create opportunities for 2,000 new jobs.
4. Improvement of infrastructure. It is necessary to develop transport communications, repair roads connecting the region with other territories, and establish modern logistics centers. By reducing the protected zone of the Shovot Canal, projects worth 30 million USD can be implemented.
5. Development of human capital. It is essential to improve the quality of education, train qualified personnel, ensure employment, and develop the healthcare system. It is planned to renovate 44 schools and kindergartens and establish new medical centers.

Conclusion. Based on the conducted research, the theoretical foundations of the concept of regional competitiveness and the economic potential of the Khorezm region were analyzed. The following main conclusions were drawn:

- Regional competitiveness is the ability of a region to efficiently use resources, create and maintain competitive advantages compared to other regions. It is a multi-component concept encompassing economic, social, institutional, and other factors.

- The Khorezm region has competitive advantages due to its agricultural potential, historical and cultural heritage, and labor resources. In 2024, the region maintained positive economic growth dynamics (GRP 107.9%, industry 108.4%, services 115.2%).
 - The region faces several challenges in improving its competitiveness, including a lack of mineral resources, underdeveloped transport infrastructure, and insufficient industrial diversification.
 - The main directions for improving competitiveness include developing the agro-industrial complex, effectively utilizing tourism potential, establishing industrial zones, improving infrastructure, and developing human capital.
 - It is planned to attract 1.5 billion USD in investments for the development of the region, which will serve as a basis for creating numerous new enterprises and jobs.
- Enhancing regional competitiveness is a long-term and complex process requiring a comprehensive approach. By effectively utilizing its natural and economic potential, the Khorezm region can become one of the most competitive regions of Uzbekistan.

REFERENCES

1. Porter M.E. *The Competitive Advantage of Nations*. - New York: Free Press, 1990. - 855 p.
2. Merkushev V.V. *Regional Economy Competitiveness*. - Moscow: Economics, 2005. - 256 p.
3. Porter M.E. Clusters and the New Economics of Competition // *Harvard Business Review*. - 1998. - November. - Pp. 77-90.
4. European Commission. *Regional Competitiveness Index, 2022*.
5. Data of the Statistics Department of Khorezm Region (2024–2026).
6. Speech of the President of the Republic of Uzbekistan at the meeting on the development of Khorezm region dated November 22, 2024.
7. Vidyapin V.I., Stepanova M.V. *Regional Economy: Theory and Practice*. - Moscow: INFRA-M, 2018. - 320 p.
8. European Commission. *Regional Competitiveness Index 2022*. - Luxembourg: Publications Office of the European Union, 2022. - 156 p.
9. Krugman P. *Geography and Trade*. - Cambridge: MIT Press, 2001. - 142 p.
10. Davletyorova D.D. Development of economic sectors of Khorezm region // *Scientific Journal*. - 2024.
11. Concept for the development of the higher education system of the Republic of Uzbekistan until 2030.