BG Pulse Journal USA
ISSN:1947-2536 http://www.bgpulseusa.com/index.php/bg
BG PULSE JOURNAL

STRUCTURAL CHANGES IN ECONOMIC SECTORS AND THEIR IMPACT ON THE DEVELOPMENT OF THE NATIONAL ECONOMY

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doi:**https://doi.org/10.5281/zenodo.24201116**

Abstract: This article examines structural changes taking place in Uzbekistan's national economy, development trends across economic sectors, and their impact on the country's economic growth. It analyzes changes in the agricultural, industrial, and service sectors, the share of different sectors in gross domestic product, and issues related to production diversification, investment attraction, and the introduction of modern technologies. The research employs systematic, statistical, comparative, and economic analysis methods. Based on official statistical data, the study highlights the leading role of the service sector in the economy, the importance of industry in strengthening production capacity, and the need to improve efficiency in agriculture. The research findings provide scientific and practical recommendations for ensuring a balanced relationship between economic sectors, expanding the production of high-value-added goods, developing regional specialization, and accelerating the adoption of digital technologies.

Keywords: structural changes, national economy, economic growth, industry, agriculture, service sector, investment, diversification, gross domestic product, digital economy.

Introduction

The deepening of globalization, the development of the international division of labor, scientific and technological progress, and the widespread adoption of digital technologies are bringing about significant changes in the structure of national economies around the world. Under these conditions, the economic stability of countries depends not only on the growth of production volumes but also on establishing an efficient balance between economic sectors, ensuring the rational use of resources, and creating high value added.

Structural changes in economic sectors are characterized by qualitative improvements in the production system, changes in the proportions between different types of economic activity, and the more efficient allocation of labor and capital resources. This process is one of the key factors in economic modernization, diversification, and increased competitiveness.

In Uzbekistan, reforms aimed at liberalizing the economy, supporting entrepreneurship, modernizing industry, expanding the service market, and developing market mechanisms in agriculture have been implemented in recent years. As a result, certain shifts have occurred in the sectoral structure of the economy. In particular, the share of the service sector in gross domestic product has increased, while the role of industry in economic growth has strengthened.

According to the National Statistics Committee of Uzbekistan, the country's gross domestic product increased by 7.7% in 2025. During the same period, industrial production grew by 6.8%, construction activities by 14.2%, and market services by 14.7%. These indicators demonstrate that growth across economic sectors is occurring at different rates and that structural transformation processes are becoming more active.

The relevance of this topic lies in the fact that an in-depth study of structural changes in economic sectors makes it possible to use existing economic opportunities more effectively,

identify imbalances between sectors, and determine priority areas for long-term economic development.

The purpose of the research is to analyze structural changes taking place in Uzbekistan's economy, identify development trends in its major economic sectors, and develop scientific and practical recommendations aimed at ensuring sustainable growth of the national economy.

The main research objectives are as follows:

- To explain the theoretical and economic essence of structural changes in the economy.
- To analyze changes in industry, agriculture, construction, and the service sector.
- To identify the impact of sectoral composition on gross domestic product formation.
- To substantiate the importance of economic diversification and modernization.
- To develop proposals and recommendations for accelerating structural transformation.

Theoretical Basis

Structural changes in economic sectors represent one of the important areas of economic development theory. This concept refers to changes in the relative proportions of economic sectors, the allocation of production factors, employment structures, and the volume of value added generated within the economy.

In economic literature, structural transformation is regarded as an important condition for economic growth. In particular, economist Simon Kuznets demonstrated that long-term economic growth is accompanied by changes in production structures, employment, and income distribution. According to his approach, economic development involves a gradual transition from traditional forms of production toward modern industry and services.

In Arthur Lewis's dual-sector model of economic development, the movement of labor resources between the traditional agricultural sector and the modern industrial sector is considered an important factor in economic progress. This theory demonstrates the importance of reallocating resources from sectors with low labor productivity to sectors with higher productivity.

Research by Hollis Chenery and Moises Syrquin examines changes in the structure of production, consumption, investment, and foreign trade during economic development. These approaches demonstrate that structural changes in economic sectors should be studied not only in terms of production volumes but also as part of the overall transformation of the economic system.

Structural changes in economic sectors can be conditionally divided into the following directions:

First, intersectoral structural changes. These involve changes in the shares of agriculture, industry, construction, and services in the economy. For example, an increase in the shares of services and industry in gross domestic product may indicate the diversification of economic activity.

Second, intrasectoral structural changes. These processes are associated with the emergence of new production activities within a particular sector, the introduction of modern technologies, and the expansion of product ranges. For example, the transition from raw material production to the manufacturing of finished goods with high value added represents such a change in industry.

Third, regional structural changes. These involve changes in the geographical distribution of economic activities, production specialization, and investment flows. Specialization based on regional natural resources, infrastructure, and labor potential contributes to greater economic efficiency.

Fourth, technological structural changes. This direction is reflected in the introduction of digitalization, automation, innovative technologies, and modern management methods into production processes.

The following indicators are appropriate for assessing the effectiveness of structural changes:

- The share of economic sectors in gross domestic product.
- Production growth rates across sectors.
- Labor productivity.
- The volume of investment in fixed capital.
- The share of finished goods in the export structure.
- Employment levels across economic sectors.
- The level of adoption of innovative and digital technologies.

Thus, structural changes in economic sectors represent a complex process that combines the quantitative and qualitative indicators of economic development. Their main objective is to improve the efficiency of economic resource utilization and create a solid foundation for sustainable economic growth.

Results

As a result of ongoing reforms in Uzbekistan, certain structural changes have been observed across the country's main economic sectors. In analyzing these processes, the structure of gross domestic product, production volumes, and the contribution of individual sectors to economic growth are particularly important.

According to preliminary data from the National Statistics Committee for January–June 2026, Uzbekistan's gross domestic product amounted to 1,072.7 trillion soums at current prices. The sectoral structure of gross value added was as follows: services accounted for 50.8%, industry for 26.5%, agriculture, forestry, and fisheries for 15.0%, and construction for 7.7%.

Table 1. Shares of Economic Sectors in Gross Value Added in Uzbekistan (January–June 2026)

Economic sectors	**Share, %**
Services	50.8
Industry	26.5
Agriculture, forestry, and fisheries	15.0
Construction	7.7
Total	**100.0**

Source: Compiled by the author based on data from the National Statistics Committee of Uzbekistan.

The table shows that the service sector is the largest component of the national economy. Its share of more than 50% of gross value added indicates the growing importance of service-related economic activities.

The 26.5% share of industry demonstrates that the manufacturing sector continues to play an important role in the national economy. Industrial development is essential for expanding production capacity, creating new jobs, manufacturing import-substituting products, and increasing export potential.

The 15.0% share of agriculture, forestry, and fisheries indicates that this sector continues to hold considerable importance in the national economy. It plays a significant role in ensuring food security, supplying raw materials to industry, and increasing employment in rural areas.

The 7.7% share of construction is closely related to infrastructure development, the establishment of production facilities, housing construction, and the expansion of regional economic activity.

Table 2. Growth Rates in the Main Economic Sectors of Uzbekistan in 2025

Indicators	Growth rate, %
Gross domestic product	7.7
Industrial production	6.8
Construction activities	14.2
Market services	14.7
Agriculture, forestry, and fisheries	4.4

Source: Preliminary data of the National Statistics Committee for 2025.

The data in Table 2 indicate differences in growth rates across economic sectors. In particular, market services increased by 14.7% and construction activities by 14.2% in 2025. Industrial production grew by 6.8%, while agriculture, forestry, and fisheries increased by 4.4%.

These indicators demonstrate the high level of economic activity in the service and construction sectors. However, when assessing sectoral growth rates, it is also necessary to consider their shares in the economy, production volumes, and capacity to generate value added.

The analysis shows that structural changes in Uzbekistan's economy are taking place in several important directions. In particular, the expansion of the service sector, the development of industrial production, the growth of construction activities, and reforms aimed at improving agricultural efficiency are shaping a new structural model of the economy.

According to the research findings, structural changes in economic sectors cannot be assessed solely by increases or decreases in the shares of individual sectors in gross domestic product. It is also necessary to consider production efficiency, labor productivity, investment returns, export structure, and the impact of new technologies on economic processes.

The first important issue is ensuring a balanced relationship between economic sectors. Although the rapid development of the service sector is a positive trend, strengthening the production capacity of industry and agriculture remains strategically important. This is because the integration of the service sector with real production industries contributes to economic stability.

The second important issue is industrial diversification. It is necessary to expand the production of high-value-added goods, introduce modern technologies, and improve the competitiveness of domestic producers in international markets. Strengthening cooperation between industry and the service sector is particularly important in this regard.

The third important issue is improving agricultural efficiency. The use of water-saving technologies, modern irrigation systems, digital monitoring, and advanced product-processing methods can improve the economic performance of the sector.

The fourth important issue is strengthening regional economic specialization. The regions of Uzbekistan differ in terms of natural resources, labor potential, transport infrastructure, and production opportunities. Therefore, it is advisable to develop industry, agriculture, tourism, and services in accordance with the existing advantages of each region.

Based on the research findings, the following proposals have been developed to accelerate structural changes in economic sectors:

1. **Technological modernization of industry.** Increase labor productivity by introducing modern equipment, automated management systems, and energy-efficient technologies in production enterprises.

2. **Development of deep agricultural processing.** Expand infrastructure for storing, sorting, processing, and preparing agricultural products for export.

3. **Diversification of the service sector.** Develop the markets for information technology, logistics, tourism, finance, and professional services.

4. **Improvement of regional production specialization.** Develop industrial zones and production clusters based on the natural and economic potential of individual regions.

5. **Support for innovative activities.** Strengthen cooperation between research institutions, higher education institutions, and production enterprises.

6. **Improving investment efficiency.** Direct investment toward projects that generate high value added, possess export potential, and are closely integrated with other sectors of the economy.

It is also necessary to acknowledge certain limitations of the research. In particular, this study primarily examines sectoral shares in gross value added and growth rates. A more detailed quantitative assessment of labor productivity, capital efficiency, and intersectoral relationships across regions represents an important direction for future research.

Conclusion

Based on the research conducted, the following conclusions have been reached.

First, structural changes in economic sectors are among the key factors determining the long-term development of the national economy. This process contributes to the efficient allocation of production resources, increased labor productivity, and stronger economic competitiveness.

Second, the service sector occupies a leading position in Uzbekistan's economy, while industrial production and construction remain important drivers of economic growth. According to data for the first half of 2026, the share of services in gross value added reached 50.8%. This confirms the significant role of the service sector in the economic structure.

Third, industrial modernization and diversification are essential for increasing the production capacity of the economy. In particular, deeper raw material processing and the production of high-value-added goods expand export opportunities.

Fourth, it is necessary to introduce modern technologies in agriculture, ensure the rational use of water and land resources, and strengthen integration with the processing industry. These measures will help improve the economic efficiency of the agricultural sector.

Fifth, developing economic specialization between regions and ensuring the rational geographical distribution of productive forces will contribute to achieving regional balance within the national economy.

Overall, the effective implementation of structural changes in Uzbekistan's economy requires the development of intersectoral integration, increased investment activity, the widespread adoption of innovative technologies, and greater investment in human capital. These measures will create favorable conditions for strengthening the stability of the national economy, creating new jobs, and increasing the country's international economic competitiveness.

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