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## **ECONOMIC LEVERS TO STIMULATE THE COMPETITIVENESS OF PRODUCTS**

***Annotation.** In the conditions of globalization, internationalization of the world economy, growing international competition, it is very important to find your niche. And if Kazakhstan has no competitors in many positions in the industries of extraction and processing of raw materials, then it is a completely different matter with products of a high degree of processing. The experience of many countries, including developing ones, suggests that with persistent efforts, you can find your place in the world market. The article reveals the economic levers of stimulating the competitiveness of products.*

***Keywords:** competition, competitiveness, market mechanism.*

The functioning of domestic enterprises in modern economic conditions is characterized by increasing competition, during which there is a "natural selection" of the most successful among them, who are able to maintain high economic efficiency in such a situation. The competitiveness of products is beneficial both to the enterprise that produces it and to the state, from these positions the economic foundations for its achievement should be created both at the state and enterprise level. At the state level, the operation of such an economic mechanism primarily depends on the financial and credit and tax policy. The use of financial and credit levers can be carried out, in our opinion, in the following areas:

- provision of loans for the development of light industry production;
- development of new forms of lending.

At the present stage, financial and credit levers are of great importance to support organizational structures for the production of light industry products,

which should contribute to the development of competition among commodity producers. To finance measures for the creation of new and development of existing small enterprises, it is necessary to form republican and regional trust funds at the expense of the budget, from the registration of economic entities, loans from second-tier banks that are exempt from taxes for this.

Also, the issue of creating a preferential system of lending to small forms of production requires a solution, which provides, along with a reduced interest rate, such a type of benefits as an exemption from interest for a certain period. In the conditions of a shortage of enterprises ' own working capital, the development of new forms of lending will provide an opportunity to increase the production of light industry products and improve its quality. Among them are such types of banking services as factoring and leasing, as well as loans to the population. Factoring enables enterprises to develop or increase the production of already manufactured products that are in demand by consumers. The Bank, being an intermediary between trade and an industrial enterprise, is interested in stimulating the improvement of product quality and its competitiveness, since its profit depends on the effective sale of products, their compliance with consumer demand.

Financial leasing contributes to the creation of favorable conditions for attracting advanced equipment and technologies to the enterprise by crediting the bank to lease equipment or renting it out if the owner is a bank. Leasing is especially necessary for light industry enterprises, which use 70-80% of morally and physically outdated equipment. The involvement of the population's funds is possible through the issue of bonds, shares. In world practice, it is considered that the issue of shares is the most expensive way to attract capital. It is cheaper to issue loan certificates, primarily bonds. In order to strengthen the interest of enterprises producing consumer goods and providing services, including light industry products, further improvement of the taxation system is of vital importance. According to the International Center for Taxes and Investments,

the tax reform in Kazakhstan is the most progressive in comparison with other countries of the former Soviet Union. Reducing the number of taxes and fees from 51 to 9 and thereby eliminating deductions included in the cost of production will allow entrepreneurs to produce cheaper products, which means that they are more competitive both in the domestic and foreign markets.

The above-mentioned provisions of the new Tax Legislation are aimed at creating a tax system that would stimulate commodity producers. At the same time, the application of the tax code in practice reveals a number of shortcomings. A significant disadvantage of the new Tax Legislation is that it does not provide for support for small businesses through the system of preferential taxation. This approach cannot be considered justified, since small enterprises are the most important sphere without which to create a genuine competitive environment.

Thus, state financial assistance combined with the activation of leasing companies' activities will contribute to the accelerated modernization of fixed assets of light industry and the development of new technologies. The main priority in the procurement of production equipment should be high-tech, high-tech equipment that can ensure high-quality production.

The formation of competitive advantages due to the technical re-equipment of existing enterprises and the creation of new production facilities, as is known, requires large-scale investment attraction. State regulation of investment flows in the sphere of production is carried out with the help of investment policy.

An important part of the state's investment policy, as foreign practice shows, is the formation of a system of benefits and preferences aimed at stimulating investment in production, technical re-equipment and improvement of existing technological processes. As a rule, they are applied in relation to the corporate income tax. These include: accelerated depreciation of the main production capital, investment tax preferences, stimulating the growth of

investments in the development of a new innovative product.

In recent years, many Western countries have introduced a tax credit for the costs of vocational training, which is a deduction from the taxable profit of a certain percentage of the amount of increase in the costs of an enterprise for vocational training, retraining or advanced training of its employees. In some cases, the costs of training personnel may be completely excluded from the taxable profit, if the specialties of employees and their further activities are of strategic importance for the development of the enterprise. Such benefits would also be useful for our enterprises of the shoe industry. To organize a rational production management system, the integrating company is forced to attract qualified specialists from different fields, which entails additional costs. The solution to the problem in such a situation may be to improve the skills of existing personnel of industrial enterprises. Having work experience, employees can apply the acquired knowledge at their workplaces, and the introduction of tax benefits in this direction will significantly facilitate the improvement of the qualification level of production workers.

The system of stimulating the work of employees at many well-known foreign firms is based on the following principles:

- to achieve maximum transparency and clarity of the relationship between wages and the quality of products;
- to highlight outstanding achievements in improving the quality of products;
- stimulate the dissemination of advanced ideas, experience, and best results;
- to develop a sense of moral and material responsibility for each employee for the final result and the quality of their work;
- develop a sense of pride in the brand of your company, involvement in a big business;
- to develop the employees ' awareness of the paramount importance of

improving the quality of products and the desire to increase the competitiveness of the entire enterprise.

The conditions of a market economy, determining the objective need to create competitive products, requires the formation of a mechanism to ensure it.

Such a mechanism should contribute to the realization of the interests of all subjects of market relations:

- the state - in achieving the competitiveness of the economy on the world market;
- enterprises - in the effective sale of manufactured products;
- consumers - in meeting the needs for high-quality products purchased at affordable prices.

In other words, the main levers of ensuring the competitiveness of products, in our opinion, is an integral system, including subsystems of its regulation by the state, the manufacturer and consumers.

It is important to note that the definition of the main levers of ensuring competitiveness depends on the specific economic conditions and at each stage of economic development has distinctive features in terms of the degree of influence of each of the subjects of market relations, as well as in the levers used to stimulate the improvement of the quality and competitiveness of products. Taking into account the above, it is assumed that in a market economy, state regulation of competitiveness should be maximum, since the state creates attributes that are immanent to the market mechanism of management. And in the future, the role of manufacturers and consumers of products in the formation of levers for ensuring the competitiveness of products will be determined by the state policy in the field of achieving the competitiveness of the economy. Based on this, we can distinguish several stages characterized by different approaches to regulating the competitiveness of products on the part of the state:

Stage 1-is conditioned by the conditions of a market economy, the creation of a competitive environment, in other words, the formation of

conditions conducive to the production of competitive products;

Stage 2-is characterized by the creation of more stringent conditions for strengthening the internal competitiveness of products;

Stage 3-is characterized by the adoption of measures that contribute to the competitiveness of products on the world market.

Based on the specific conditions of the economy of the Republic of Kazakhstan, it is possible to formulate the concept of forming an organizational and economic mechanism for ensuring the competitiveness of products in a market economy, that is, at the first stage of regulation, and present it schematically.

The mechanism of State influence includes the following elements:

- creating a competitive environment in the industry;
- differentiated economic support for commodity producers;
- programming of blocks of centralized support (legislative, regulatory, informational) of the production and sale of products;
- regulation of foreign economic activity;
- the formation of a state scientific, technical and innovation policy that is adequate to the market mechanism of management.

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