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## COMPETITIVENESS ANALYSIS OF THE CONSTRUCTION BRUNCH IN KAZAKHSTAN

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At the present stage of development of market relations, no organization can do without assessing both their competitive position in the market and the competitiveness of their products, goods, works or services. Competitiveness is a complex multi-level concept, analysis and assessment which must be closely linked to its specific level. In the study of the relationship of industrial competitiveness and regional economic systems of most interest are just environmental factors. The external environment is an important factor of competitiveness of the production system. In the fullest sense of competitiveness it includes three main components. The first one is associated with the product (goods or services) and significantly reduces the quality, other related economies create sales, service and economic opportunities. The third represents all that can be pleasant or unpleasant to the consumer. Competitiveness is one of the most important integral characteristics used to evaluate the effectiveness of the economic activity of economic entities.

**Keywords:** Competitiveness, region, construction, economics, development.

One of the main priorities the domestic economy currently facing is to increase the competitiveness of the domestic producers, which includes businesses and construction organizations. As a part of the building complexes of the region, they are building, reconstructing and modernizing buildings and facilities for production and non-production purposes.

Broadly speaking, the competitiveness – is an essential characteristic of the object, which reflects its ability to meet specific needs in comparison with that of similar objects presented on the market<sup>1</sup>. For consumers, increase of the competitiveness of the construction companies means cutback of the construction materials and service costs, improvement of their quality, preservation of the greener environment, etc. In an economy market the research of competitiveness of the regional construction companies contribute to the solution of issues existing in sustainable development of the regions, which makes them the more attractive for investments and innovation projects [1]. That way, well informed about the level of competitiveness of the building organizations investors could reduce the risk of default funds and guarantee the profit, contractors and suppliers could find a solvent partners and customers will be able to get a quality that meets the modern requirements of construction products on time and at a fixed price, etc.

Ultimately, progress on theoretical and methodological aspects of the competitiveness of enterprises and construction organizations is of particular importance for the sustainable development of the regions. Increasing competitiveness will also facilitate the establishment of many economic relations between enterprises of the region; formation of positive image of the region in the country or even worldwide by expanding the geographic boundaries of construction organizations.

Table 1  
Number of contract building organizations

	2009	2010	2011	2012	2013	2014
Republic of Kazakhstan	6709	7675	7798	7852	8024	7103
Akmola region	241	264	306	303	335	334
Aktobe region	243	234	256	249	244	230
Almaty region	289	402	408	451	424	318
Atyrau region	338	395	352	319	340	348
West Kazakhstan region	280	336	343	336	329	322
Zhambyl region	281	290	325	349	376	367
South Kazakhstan region	374	509	534	559	538	525
North Kazakhstan region	206	216	216	235	235	193
East Kazakhstan region	624	640	692	681	697	578
Astana	782	1010	944	998	1142	957
Almaty	1237	1436	1393	1311	1304	968

The number of the contract building organizations in Kazakhstan according to committee on RK statistics for the last five years was reduced. So in 2014 the number of the contract building organizations has made 7103 that is 11,48% less in comparison with 2013 and are 7,45% less, than in 2010. A chronic problem in the market is exaggerated real estate prices which considerably advance the average level of the income of the population. Moreover the cost of real estate will continue growth against rise in price of the import and made within the country construction goods. The volume of construction works in Kazakhstan continues to show growth.

The economy of the Republic of Kazakhstan is at the stage of active market reforms. Theory and practice both shows that it is impossible to achieve success in the market without effective and purposeful management of all processes related to the functioning of the economic entity in the market conditions.

To improve their competitiveness large construction companies expands its sphere of influence by creating holdings, hires other organizations for certain jobs, expands to other regions[2].

Usually small companies are privately owned, so their share in the total number of small, medium and large organizations is almost the same as the proportion of privately owned enterprises. In 1995, from all the total number of functioning institutions the share of small construction companies was 92.0%, and in 2005 it shows 92.1%. We believe that the most advanced forms of associations in a competitive environment are the outsourcing companies, which, as discussed above associations began to emerge as a

result of the defaultat 2009.

Like this, current construction industry is being represented by companies, differing in form of property, production and sales organizations, specializations, etc. In economy market (in case of the absence of a centralized management system), they must compete for the most favorable markets, sources of raw materials, facilities, etc., by proving their competitiveness in various areas of socio-economic aspects of life during its function and development [4].

In total for 2015 more than 39 thousand units of various objects are put into operation. The gain in comparison with previous year has made 19% against 33 thousand units in 2014 from which 82% are residential buildings, actually the cost of which has made 835 billion tenge.

A further growth of large firms and companies depends on the improvement of joint-stock forms of organizations, the formation of financial relations between them and the implementation of financial control through stock ownership [4]. These forms are the most stable businesses in a competitive environment, as they can accumulate significant funds, but at the same time, they are not very maneuverable and not aimed only on the creation of a uniform product and on the monopolization of the market (Table 2).

All construction organizations develop their own methods of competition, depending on the specifics of their production and on their positions on the market, as well as on marketing opportunities of the organization. Yet, the analysis features of the building production organizations in the most of developed countries allows to allocate certain regularities in the formation of the competitive

Table 2

Comparative characteristics of the main forms of organizations in the construction

Type	Advantages	Disadvantages
Trust	Coordinated actions of all participants The ability to handle large capacity of jobs	Low concerns of the participants in the final results of their labor Inflexible proposals on the market Large management costs Focus of the technical chain only on one type of product Market monopolization
Holding	Independence from suppliers of building materials Guaranteed capacity utilization The ability to accumulate significant funds Reduced cost of the production The ability to handle large capacity of jobs Support of the powerful administrative resources	Inflexible proposals on the market Large management costs Focus of the technical chain only on one type of product Market monopolization
Outsourcing company	Ability to change the capacity and type of the product based on market conditions High product quality due to narrow specialization Variety of the materials, technologies, equipment Increased susceptibility to innovations	1. High transaction costs 2. Limited investment opportunities 3. Dependence on resources 4. Limited opportunity for administrative lobbying

Table 3

## Capacity of the completed construction works

	2009	2010	2011	2012	2013	2014
Republic of Kazakhstan	1 821 819	1943 960	2 085 137	2266 803	2 439 390	2 667 183
Akmola region	83 129	58 520	67 045	75 429	68 682	83 222
Aktobe region	85 773	126 479	99 680	127 201	186 168	206 837
Almaty region	109 176	150 334	173 139	185 039	193 605	201 782
Atyrau region	310 457	352 882	367 432	286 905	253 871	243 224
West Kazakhstan region	64 493	80 776	59 170	51 696	58 467	73 577
South Kazakhstan region	129 331	124 888	133 288	170 649	179 655	190 347
Pavlodar region	46 246	56 847	64 677	85 102	90 104	113 659
North Kazakhstan region	20 043	22 534	22 230	28 041	35 313	38 512
East Kazakhstan region	63 414	81 326	96 321	118 208	137 602	145 063
Astana	304 839	256 623	286 111	304 834	280 887	398 943
Almaty	228 938	212 368	208 892	232 415	219 408	269 079

advantages of building organizations. Regardless to all this the number of completed construction works still growing which shows the data on table 3 below[5].

In the Southern Kazakhstan for 2014 makes 8,9% of the general region. However the main volume of construction works is concentrated in the city of Astana and Almaty that is the testimony of low activity in other regions of the country.

Most of foreign construction company experiences shows that improvement of the formation mechanism of competitive advantages in the market of construction products and services were established by:

- combining separate companies into associations and federations;
- improving the organizational structure;
- searching for new forms of management on the investment process;
- cooperation of small and large organizations, etc.

Thus, growth on the competitiveness of construction companies contributes to the region's well being by:

- attracting domestic and foreign investments into the region;
- establishing economic relations between enterprises of the region;
- creating a positive image of the region in the country and worldwide by expanding the geographic boundaries of the construction organizations;
- forming conditions for better quality of life in the region (by ensuring social sustainability), and more.

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## АНАЛИЗ КОНКУРЕНТОСПОСОБНОСТИ СТРОИТЕЛЬНОГО РЫНКА КАЗАХСТАНА

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*На современном этапе развития рыночных отношений ни одна организация не может обойтись без оценки как своего конкурентного положения на рынке, так и конкурентоспособности своей продукции, товаров, работ или услуг. Конкурентоспособность представляет собой сложное многоуровневое понятие, анализ и оценку которого необходимо теснейшим образом увязывать с конкретным ее уровнем. При исследовании взаимосвязи конкурентоспособности производственных и территориальных экономических систем наибольший интерес представляют как раз факторы внешней среды. Внешняя среда является важнейшим фактором конкурентоспособности производственной системы. В наиболее полном смысле конкурентоспособность включает в себя три основные составляющие. Первая из них связана с продуктом (товаром или услугой) и в значительной мере сводится к качеству. Другая связана с экономикой создания сбыта, сервиса, экономических возможностей. Третья отражает все то, что может быть приятно или неприятно потребителю. Конкурентоспособность является одной из важнейших интегральных характеристик, используемых для оценки эффективности экономической деятельности хозяйствующих субъектов.*

**Ключевые слова:** конкурентоспособность, регион, строительство, развитие, экономика.

**АНАЛІЗ КОНКУРЕНТОСПРОМОЖНОСТІ  
БУДІВЕЛЬНОГО РИНКУ КАЗАХСТАНУ**

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*На сучасному етапі розвитку ринкових відносин жодна організація не може обійтися без оцінювання як свого конкурентного становища на ринку, так і конкурентоспроможності своєї продукції, товарів, робіт або послуг. Конкурентоспроможність — це складне багаторівневе поняття, аналіз і оцінювання якого необхідно найтіснішим чином пов'язувати з конкретним його рівнем. При дослідженні взаємозв'язку конкурентоспроможності виробничих і територіальних економічних систем найбільший інтерес становлять саме фактори зовнішнього середовища. Зовнішнє середовище є найважливішим фактором конкурентоспроможності виробничої системи. У найбільш повному сенсі конкурентоспроможність включає в себе три основні складові. Перша з них пов'язана з виробом (товаром або послугою) і значною мірою зводиться до якості. Інша пов'язана з економікою створення, збуту, сервісу, економічних можливостей. Третя відображає все те, що може бути приємно чи неприємно споживачу. Конкурентоспроможність є однією з найважливіших інтегральних характеристик, які використовуються для оцінювання ефективності економічної діяльності господарюючих суб'єктів.*

**Ключові слова:** конкурентоспроможність, регіон, будівництво, розвиток, економіка.