

IMPROVING THE ECONOMIC ASSESSMENT OF FIXED ASSETS IN RAILWAY TRANSPORT ENTERPRISES

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Abstract: The railway sector plays a strategic role in Uzbekistan's economic infrastructure, ensuring large-scale cargo and passenger transportation. Efficient management of railway enterprises depends largely on the rational use and timely renewal of fixed assets. This paper analyzes the existing approaches to the economic assessment of fixed assets in railway transport, identifies shortcomings, and proposes directions for improvement. A modernized assessment framework is essential for enhancing investment attractiveness, ensuring financial sustainability, and aligning asset management with global best practices.

Keywords: railway transport, fixed assets, economic assessment, asset management, depreciation, Uzbekistan, transport economics

Introduction

Railway transport remains one of the most vital segments of Uzbekistan's transportation system. It connects key industrial centers, supports foreign trade, and provides affordable mobility for the population. As the sector modernizes, increasing attention must be paid to the effective management of its main production resources—fixed assets, which include locomotives, wagons, rail tracks, signaling systems, stations, and related infrastructure.

Traditionally, the economic assessment of fixed assets in railway enterprises has relied on conventional cost accounting methods, focusing mainly on historical costs and standard depreciation schedules. However, in the context of rapid technological advancement and market-oriented reforms, these methods often fail to reflect the real economic value and productive capacity of assets. As a result, decision-making related to maintenance, replacement, and investment is frequently suboptimal.

This paper aims to highlight the need to modernize the theoretical and methodological approaches to assessing fixed assets in railway transport enterprises and to propose directions for aligning asset valuation with contemporary economic requirements.

Materials and Methods

This study is based on a combination of theoretical analysis and practical review of Uzbekistan's railway sector. The methodological approach includes:

- Studying normative documents regulating accounting and valuation of fixed assets in the railway industry.
- Comparative analysis of asset valuation practices in leading international railway companies.
- Analysis of statistical data on the composition, structure, and dynamics of fixed assets in Uzbekistan Railways.
- Reviewing scientific literature on modern asset management and valuation techniques, including fair value accounting and revaluation models.

Key sources include reports from Uzbekistan Railways, the Ministry of Transport, national statistical bulletins, and international guidelines such as IFRS standards relevant to asset accounting and revaluation.

Results

The research shows that the current system of economic assessment for fixed assets in Uzbekistan's railway transport is primarily based on historical cost minus accumulated depreciation. While this approach provides simplicity, it has several significant drawbacks.

Firstly, it does not adequately reflect the actual market value of assets, especially when inflationary factors and currency fluctuations are considered. Secondly, the standard depreciation approach often underestimates or overestimates the useful life of various categories of assets. Thirdly, there is insufficient integration of modern valuation methods such as fair value measurement, which can better capture the economic reality of asset wear, technical obsolescence, and replacement costs.

The analysis also indicates that due to outdated valuation methods, railway enterprises may face difficulties in attracting investments, planning capital renewal programs, and ensuring effective asset utilization.

Discussion

Improving the economic assessment of fixed assets in railway transport enterprises requires a shift towards more dynamic and market-oriented valuation models. Several key measures can be considered:

One direction is the introduction of fair value accounting for major asset groups. By periodically revaluing fixed assets to reflect current market conditions, enterprises can present a more realistic balance sheet, which is important for investors and creditors.

Another essential step is to modernize depreciation methods. Rather than relying solely on straight-line depreciation, railway companies should implement flexible methods that account for actual asset usage, technical upgrades, and maintenance practices.

In addition, digital asset management systems should be integrated to monitor the physical condition, performance, and maintenance history of each asset unit. This data-driven approach supports better forecasting of renewal needs and budget allocation.

Training financial and technical personnel in modern valuation techniques and international standards (e.g., IFRS) will ensure consistent application of new methodologies and support greater transparency.

Conclusion

The modernization of the economic assessment system for fixed assets in Uzbekistan's railway transport enterprises is vital for sustainable sector development. By adopting modern valuation principles, aligning with international accounting standards, and integrating digital asset management practices, railway companies can improve the efficiency of asset use, optimize investment decisions, and strengthen their financial sustainability.

Ultimately, these improvements will contribute to enhancing the competitiveness of Uzbekistan's railway sector, enabling it to better serve national economic needs and integrate effectively into the regional and global transport network.

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