



TRENDS IN ENHANCING UZBEKISTAN'S COMPETITIVENESS IN THE TEXTILE MARKET

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*Received 16th July 2020,
Accepted 30th August 2020,
Online 9th September 2020*

ABSTRACT: The article analyzes the global cotton market trends and examines the competitive environment. The conclusions were drawn on the main strategic directions of Uzbekistan's participation in the world cotton market. Based on the results of a comprehensive analysis of the factors affecting the world cotton market situation, recommendations and recommendations for the development of a strategy for establishing the competitiveness of the Republic on the world cotton market are given.

KEYWORDS: competition, competitiveness, competitive environment, cotton fiber, cotton fiber market, market conjuncture.

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INTRODUCTION

In the context of intensive reforms in Uzbekistan in recent years, special emphasis is placed on enhancing the competitiveness of industrial enterprises, developing and marketing strategies. In particular, the Strategy of Action on the five priority directions of further development of the Republic of Uzbekistan in 2017-2021 will focus on "deep processing of agricultural products, increasing competitiveness, construction of new processing facilities, reconstruction and modernization of existing high-tech equipment implementation of projects" ¹ and the tasks are given related to this.

The key challenge in developing marketing strategies for improving the competitiveness of cotton processing enterprises in the world is to ensure the supply of supply and demand in the global cotton market, and to identify the key strategic directions of Uzbekistan based on the analysis of factors affecting the balance.

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How Uzbekistan participates in the cotton market in the context of globalization, and research on key strategic issues is an urgent issue.

LITERATURE REVIEW

Every market type relies on such elements as price, demand, supply, competition. Competition encourages economic development by reducing costs, improving quality, discovering new needs and meeting them.

World scholars have different views on the areas of competition and assessment of competitiveness and competitiveness:

- ✚ Goods that fully meet the requirements of buyers in comparison with similar goods presented on the market;²
- ✚ The ability of the product to be marketed in the presence of the products of such competitors.³
- ✚ The product's ability to meet the requirements of this market in relation to competitors in the reviewed period;⁴
- ✚ The nature of the materialized goods, services or market relations of the subject being better or even represented in relation to similar goods, services and market relations. Competitiveness of the object in the sense that it meets the requirements of the modern market;
- ✚ The ability of a product (product, service) to withstand similar or similar goods in the market by a combination of cost and quality characteristics aimed at meeting certain needs of the buyer;⁵

To assess the competitiveness of products Golubkov proposes to present the collected information in the following main areas: product and its quality criteria, price, bringing the product to the consumer, product promotion.

R. Fathutdinov, referring to J. Lambert, gives a table with the following indicators of product competitiveness: relative market share, costs, distinctive properties, degree of technology development, sales method, image⁶.

M. Porter linked enterprise competitiveness to production factors and categorized them into basic (natural resources, natural conditions, geographical location of the country, skilled and unskilled workforce, capital) and advanced (modern information exchange infrastructure, highly skilled staff).⁷ Directions, methods and methods of conducting market research on complex market research are widely covered in the scientific literature.⁸

² Азоев Г. Л. Конкуренция: анализ, стратегия и практика. - М: Центр экономики и маркетинга, 2013. 48-49 с

³ Беляевский И. К. Маркетинговые исследования: информация, анализ, прогноз. – М.: Финансы и статистика, 2001. 105 с.

⁴ Петросян А.А. Совершенствование механизма управления конкурентоспособностью промышленных предприятий. Автореф. дис. ... к.э.н. – Москва, 2010. – 13 с

⁵ Абдуллаев Р. В. Проблемы повышения роли Узбекистана в мировом рынке хлопка: Автореф. дис. ... канд. экон. наук. – Ташкент: НИИ рыночных реформ в АПК, 1998

⁶ Фатхутдинов Р.А. Стратегический менеджмент. — М.: ЗАО «Бизнес-школа «Интел-Синтез», 1999

⁷ Портер М. Э. Конкуренция. - М.: Издательский дом «Вильямс», 2000. – 790 с

⁸ Akbarov N. Marketing strategies of increasing the cotton processing enterprises competitiveness. 08.00.11 – Marketing. Dissertation abstract of the doctor of philosophy (PhD) in Economic sciences. Tashkent – 2018.

Cotton is graded nationally by grain, fuel and metal, and there is no industry in which cotton and its products are used. Cotton is grown in more than 90 countries on five continents - in Asia, America, Australia, Africa and Europe and consumed in more than 100 countries.

Cotton issues around the world are addressed by ICAC (International Cotton Advisory Committee) - the International Cotton Advisory Committee. This international organization works to strengthen cooperation in the production, export, import and consumption of cotton. At present, it has 42 members. The Committee meets once a year and publishes its materials.

The results of the research show that in the traditional analysis of an enterprise's market environment as an external factor in the formation of competitiveness, many researchers evaluate the market dominance model.

RESEARCH METHODOLOGY

Recognizing the benefits of this approach from a macroeconomic perspective, it is important to note that the micro-level (ie, enterprise-level) market model can provide an overview of the business environment. Therefore, the market should be evaluated not only in terms of its dominant category, but also in terms of the effectiveness of enterprise marketing by comparing it to competitors.

The scientific literature also provides a detailed assessment of the market potential of the enterprise in the study of market conditions, and we use the method by Akbarov N.9

We recommend using dynamic indicators in conjunction with traditional indicators.

The dynamics of market share change over time t is determined as follows:

$$D_n(t) = \frac{\sum_{i=1}^n |\Delta OY_i|}{2OY}, \quad (2.13)$$

where $D_n(t)$ is an indicator of the dynamics of changes in the market share of a participant in the cotton fiber market over time;

ΔOY_i is the change in the market share of the i -type manufacturer in the cotton fiber market over time.

The changes in the market share of each cotton fiber market participant are as follows:

$$\Delta OY_i = OY_i(t_1) - OY_i(t_0), \quad (2.14)$$

$$t = t_1 - t_0, \quad (2.15)$$

where) $OY_i(t_1), OY_i(t_0)$ is the initial and recent value of the market share of i -participant in the cotton fiber market, respectively.

The amount of indicator dynamics should meet the following conditions:

$$0 \leq D(t) \leq 1. \quad (2.16)$$

The use of the formula in (3.13) is explained by the fact that the increase in market share for one enterprise in the cotton fiber market will create a positive change in the share of the other participant enterprise that has caused this increase. The sum of the modifications on the module gives the effect of a recalculation which is eliminated by a double-entry in the field.

⁹ Akbarov N. Marketing strategies of increasing the cotton processing enterprises competitiveness. 08.00.11 – Marketing. Dissertation abstract of the doctor of philosophy (Phd) in Economic sciences. Tashkent – 2018.

Summarizing the results of the above, the proposed method of studying the cotton fiber market is the basis for the assessment of competitiveness of the cotton fiber market entities (joint-stock companies, joint-stock companies, holding companies, and developing a competitive strategy). In this case, increasing the marketing activity of the enterprise is also important for increasing the competitiveness of the enterprise.

ANALYSIS AND RESULTS

Cotton is grown in about 90 countries and consumed in more than 100 countries. Among consumed textile fibers, cotton is 49%.¹⁰

Uzbekistan contributes 4% of the world cotton fiber production. In 2010, the level of total cotton processing in the world was 0.9%, and now it has increased by 1.56%. In 2015, China accounted for 32% of global cotton consumption, 24.6% for India, 9.8% for Pakistan and 6.3% for Turkey, we can see an increase in the share of all countries except China and Brazil in comparison with 2010. (Table 1)

Table 1

Share of countries in the world by the level of production and use of the world cotton fiber¹¹ (million tons¹²,%)

№	Countries	2009/2010 y		2015/2016 y	
		Fiber production	Processing	Fiber production	Processing
	Worldwide	117,3	100	101,5	100
1	China	31	39,1	23,8	32,0
2	India	27,2	17,4	28	24,6
3	USA	12	3,3	12,9	3,54
4	Brazil	9	3,6	6,5	3,3
5	Pakistan	8,6	8,4	7,2	9,8
6	Uzbekistan	4,2	1,0	3,7	1,5
7	Turkey	2,1	4,7	2,6	6,3
	Other countries	26,4	22,5	17,05	25,2

The republic produces a sufficient amount of cotton fiber, which sharply reduces transport costs for its delivery to enterprises. So, today Uzbekistan ranks 7th in the world largest producer of raw cotton (more than 2.5 million tons of raw cotton and, accordingly, about 900 thousand tons of cotton fiber); The country ranks 8th in terms of cotton exports (however, in recent years it has been reducing the export of raw cotton, focusing on the export of high value-added products). The share of raw cotton cultivated in the country by domestic enterprises is about 52%, the rest is exported.

Table 2. World production and export of cotton fiber(1000 T)

	2014/15	2015/16	2016/17	2017/18	Oct 2018/19	Nov 2018/19
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¹⁰ Р.Исаев. С.Қосимов ва б. Ишлаб чиқаришни ташкил этиш ва бизнес-режа. ТТЕСИ. Тошкент – 2010. 34-б.

¹¹ Gary Adams. The Economic Outlook For U.S. Cotton 2013. USA.7-8 p www.agrecolchtrcl.com

¹² 1,1 млн.той = 225-235 минг тонна

Production						
India	6 423	5 639	5 879	6 314	6 249	6 096
China	6 532	4 790	4 953	5 987	5 987	5 987
USA	3 553	2 806	3 738	4 555	4 303	4 008
Brazil	1 563	1 289	1 528	2 007	2 177	2 177
Pakistan	2 308	1 524	1 676	1 785	1 851	1 742
Turkey	697	577	697	871	980	980
Uzbekistan	849	827	811	840	718	718
Others	4 032	3 483	3 940	4 571	4 223	4 285
Total	25 957	20 936	23 223	26 932	26 488	25 994
Export						
USA	2 449	1 993	3 248	3 450	3 375	3 266
Brazil	851	939	607	909	1 176	1 197
India	914	1 255	991	1 128	958	936
Australia	523	616	811	853	784	806
Burkina Faso	283	239	250	272	294	294
Mali	185	218	239	283	283	283
Greece	254	209	221	234	261	261
Uzbekistan	490	501	283	196	152	152
Others	2 352	2 069	1 884	1 588	1 743	1 759
Total	7 812	7 538	8 252	8 914	9 025	8 955

Source: USDA US Department of Agriculture

In addition, silk raw materials are produced in the republic, and there are also resources for the production of woolen fabrics and carpets;

- ❖ The cost of energy. 1 cc m. of natural gas in Uzbekistan is \$ 0.07, in Turkey - 0.21, the EU - 0.3, the United States - 0.14 and China - 0.15 dollars. The cost of 1 kg of fuel oil in Uzbekistan is 0.3 US \$ In China, India, Turkey, and the Republic of Korea, the cost of fuel oil is approximately \$ 0.4, in the countries of Western Europe and the USA - \$ 0.4-0.5, in Pakistan - \$ 0.35.
- ❖ In Uzbekistan, the price of 1 liter of diesel fuel is \$ 0.60, while in Pakistan, Bangladesh, China, India and the United States this indicator has a cost in the range of 0.6-0.9 US dollars. The cost of diesel is high in Italy (\$ 1.63), France (\$ 1.46), Germany (\$ 1.39) and Turkey (\$ 1.31).
- ❖ The cost of electricity in competing countries ranges from 0.04 to 0.09 US dollars, while in Uzbekistan it is 0.04 dollars per 1 kW / h. Japan and Germany are leaders in terms of the high cost of electricity tariffs (more than \$ 0.3).
- ❖ At the cost of water. In the republic, the cost is 1 cubic meter. water for industrial needs is 0.05 US dollars, in China - 0.15 US dollars, India - 0.16 US dollars, Pakistan - 0.26 US dollars. High water prices are set in the United States - \$ 0.51, the Republic of Korea - \$ 0.6, Turkey - \$ 1.5, and Western European countries - \$ 1.5-2.0.

Uzbek textile products are exported to more than 55 countries. The main export markets are the CIS countries, primarily Russia, as well as the countries of Latin America, the EU, the Republic of Korea, China, Singapore, Iran, Israel, the USA and others. In 2017, new sales markets were developed - Pakistan, Georgia, Croatia, Nigeria and several others. The export performance of textile and sewing-knitwear products in 2017 exceeded \$ 1.3 billion. Export to the foreign market of finished products instead of cotton fiber would make it possible to increase export revenue by at least two times, and the export of finished knitwear and garments, according to estimates, from 4 to 20 times. This in turn allows you to increase the number of highly technically equipped enterprises that are not inferior to foreign competitors. Increasing the export of finished textile products would significantly increase the export efficiency, since the high transport costs of the export of finished products are significantly cheaper than fibers.

It should be noted that the increase in foreign investment in the light industry of our country is due to the rapid development of the industry on the basis of program documents adopted by the republic's leadership over the years on the development of light industry, government support for modernization projects, technical and technological re-equipment of production, stable macroeconomic situation, and also the availability of a base for the training of skilled labor.

The Republic is implementing a program of measures for the further development of the textile and sewing-knitting industry for 2017-2019. According to it, by 2020, the production of cotton yarn is planned to increase 2.5 times, finished fabrics - 2.8 times, silk fabrics - 2.7 times, non-woven materials - 1.5 times, knitted fabric - 2.7 times. It is planned to increase the output of clothing by 3.2 times, knitwear - 2.1 times, the production of raw silk - 2.1 times. If the volume of tissue production in 2011 amounted to 85.63 million square meters, then in 2020 this figure will exceed 459.2 million square meters. The growth will be 5.4 times.

At the current stage of development of the world economy, special attention is paid to the organization and increasing the competitiveness of high quality products in accordance with international standards. In this regard, the US has accumulated extensive experience in the development of marketing systems based on multifunctional business technology, marketing tools to improve the efficiency of the product sales system in Germany, and innovative marketing strategies to improve the competitiveness of industrial enterprises in South Korea and these practices have been introduced into the marketing activities of more than 1,600 cotton processing and large textile enterprises around the world¹³.

According to the ICAC (International Cotton Advisory Committee), today the world's cotton field is about 34 million hectares, which is 2% of the global agro-industrial sector. In recent years, the annual volume of cotton fiber produced is \$ 23 million tons. In order to achieve this level of cotton production, it is necessary to increase the world cotton productivity at the appropriate level¹⁴.

Cotton fiber production has increased over the past 35 years (1981 / 82-2015 / 2016) and has increased to \$ 23.38 million in the last season, ie increased by 2.1 times. This growth was made possible by the expansion of cotton fields and increased productivity.

World cotton production has been on the upward trend since 1950/1951 and in 2015/2016 this figure was 749 kg / ha.

¹³ www.kostat.go.kr

¹⁴ www.pxc.ru

The North region accounts for 80% of global cotton production, the South region 13%, and the Eastern region 7%.

An analysis of the global cotton fiber market study examines the volume of cotton fiber production, its consumption, exports and imports, and reserves at the end of the year.

The United States and the former Soviet Union have led the world in cotton production for many years, and in recent years, the People's Republic of China has led. In the 2015/2016 crop year, India is on the forefront. Analysis of statistical data shows that there was a fluctuation and decline in cotton production in China in 2011/2012 and 2015/2016, with 7.403 million tonnes produced in 2011/2012, while in 2015/2016. The figure was 5.508 million tonnes. During the period studied in India, there was a fluctuation in the volume of cotton fiber production. The highest level was observed in the 2013/2014 season, reaching 6.750 million tonnes. During the period under review, the volume of cotton fiber production in Uzbekistan declined slightly, from 871,000 tonnes in 2011/2012 to 806,000 tonnes in 2015/2016. Currently, more than 60% of the world's cotton fiber is grown on the Asian continent. The main cotton producing countries on this continent are China, India, Pakistan, Uzbekistan and other Central Asian countries.

On the American continent, about 27% of the total cotton fiber is grown. The main cotton producing countries on this continent are the USA, Brazil, Nicaragua, Guatemala, El Salvador, Argentina, Peru, Colombia, Venezuela, Paraguay and Ecuador.

The African continent produces about 8% of the world's cotton fiber. The bulk of it, mainly Egypt and Sudan have the largest share.

Cotton growing rapidly in Australia. It produces 3.5% of the world's cotton fiber.

The European continent produces about 1.5% of the world's cotton fiber.

In recent years, the Republic of Uzbekistan has been the second largest exporter of cotton fiber in the world after the United States, while India, which has become one of its main competitors in recent years, has risen to second place. However, given the low cost of cotton produced, it is economically advantageous for them to supply cotton to the world market.

The results of the analysis showed that, because of the small and constant range of cotton products, the level of differentiation of cotton products is low and the level of differentiation of the textile fabrics and final products is high.

The results of the analysis show that in the world market demand for cotton fiber exceeds supply. In recent years, exports and imports of cotton fiber have been slower than cotton products, such as cotton and textiles. This indicates that a number of countries prefer to buy cotton rather than cultivate it.

The high share of raw materials in the cotton trade has several aspects for the country, which undermines its competitive advantage in the world market. The current world cotton fiber market situation is characterized by less stability in world price fluctuations than the market for finished cotton products. Therefore, in the conditions of poorly developed cotton processing in the economy, in the case of falling world prices, the trade in the form of raw cotton will cause them to fail at these prices, which will mean less foreign exchange earnings. The availability of differentiated cotton processing helps to compensate for these losses and increase their incomes.

Selling cotton in the world market in raw materials will undoubtedly generate certain foreign exchange earnings. However, these revenues are considerably less than in the sale of the extended range of end products that provide the complex and deep processing of this or that country-specific raw material.

CONCLUSIONS

The results of the analysis show a clear advantage of the deep processing of cotton fiber in Uzbekistan.

In modern conditions of innovation and technological development, there are no significant barriers to further development of the differentiated cotton processing industry, which allows access to global and domestic markets with high value added products in the open access to investment resources. Only with the steady growth of production of this type of goods will the country have the potential to sustainably improve welfare¹⁵.

Thanks to the efforts of the leadership of our country, in the years of independence deep structural changes have been implemented in agriculture and in the economy as a whole.

The above factors favorably distinguish the textile industry among other industries and make it the most important strategic tool for a significant increase in economic growth.

However, despite the fact that the state is pursuing an active policy aimed at developing the industry, it has a number of serious problems associated with both insufficient depth of cotton fiber processing and the low competitiveness of products of final stages of production, which are affected by internal factors.

With the efforts of the Government of the Republic, practical measures are being taken to expand the production of textile products in order to make full use of the future cotton fiber produced in the country and to deliver the finished textile products to the world market.

Thus, the results of the analysis of the world cotton fiber market situation suggest that there is a decrease in supply on the world cotton fiber market over its demand; Cases of reduction of the amount of cotton fiber in the leading cotton producing countries due to the strengthening of the state cotton management; the main producers of cotton produce and pay special attention to the export of cotton; consumers of the textile industry have high demand for cotton fiber competitiveness; decline in world cotton prices; The competitiveness of cotton fiber is increasing.

It is necessary to develop a competitive marketing strategy of the republic on the world cotton fiber market, based on the results of a comprehensive analysis of the situation and factors affecting the level of the world cotton fiber market.

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