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Trends in the Activities of Enterprises of the Textile Industry of the Republic of Uzbekistan

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Abstract: The technical and economic modernization of the economy, the further development of priority sectors of the industry, the increase in production efficiency are due to the increase in competitive goods that meet the requirements of the foreign and domestic market. Therefore, great attention is paid to increasing the volume of production of textile products in our country.

The article analyzes the current state of activity of textile industry enterprises in the economy of Uzbekistan, the composition of exports and imports of textile products, the pace of growth, the volume and dynamics of production, and gives the proposals necessary for the further development of the textile industry.

Key words: enterprises of the textile industry, gross domestic product, exports, imports, direct investments, fixed capital.

Introduction

Today, the textile industry occupies an important place in the economy of Uzbekistan. This sector is central to the production of industrial products, because this sector produces a wide range of consumer goods, which in turn saturates a large part of the market. In addition, the industry provides the republic with a large number of jobs, including the employment of mainly women in this industry, which allows maintaining the demographic balance in industrial regions.

Uzbekistan currently has a large and multi-faceted textile industry. The share of the textile industry in the republic's gross domestic product is 4.8%, 25% of the industrial output and 13% of the production capital belong to this sector. At the same time, 32% of the industrial workers of the republic work there.

A rich base of raw materials (cotton, wool, coal, oil, gas, etc.) for the development and supply of all sectors of the textile industry of Uzbekistan, as well as sufficient conditions (natural-climatic, territorial and labor resources) for the rapid development of the economy. has In the strategy of the development of the network in 2019-2030, by 2025, 100% of the cotton raw materials grown in our republic are reproduced in our republic, and the priority ways to increase the production volume by 4.3 times are defined.

Technical and economic modernization of the economy, further development of priority branches of industry, and increase in production efficiency are carried out at the expense of increasing the number of goods and products that meet the requirements of the foreign and domestic markets. Therefore, great attention is being paid to increase the volume of production of textile products in our country

Methods. In the process of preparing the article were used formal-logical, specific research methods econometric modeling, empirical research, and forecasting

Results. According to statistical data, 67.2% of the export volume of textile products, that is, yarn products occupy a significant share. The volume of fabrics is 7.3%, knitted fabrics are 6.2%, other textile products are 1.9%, and the amount of finished sewing and knitting products is 17.4%. Considering the fact that cotton raw materials are grown in large quantities in our country, this amount is a very small percentage compared to the export potential. In our opinion, in this regard, it is necessary to analyze the problems that hinder the rapid development of the textile industry. Below we describe these problems and shortcomings:

1. Our country takes a leading position in the cultivation of cotton raw materials on a global scale, but sufficiently effective results have not been achieved in the processing of raw cotton materials (Table 1).

Table 1. Indicator of cotton fiber cultivation of world countries, thousand tn.

States	Years				
	2014	2015	2016	2017	2018
India	6423	5639	5879	6314	6096
China	6532	4790	4953	5987	5987
USA	3553	2806	3738	4555	4008
Brazil	1563	1289	1528	2007	2177
Pakistan	2308	1524	1676	1785	1742
Turkey	697	577	697	871	980
Uzbekistan	849	827	811	840	718
Others	4032	3483	3940	4571	4285
Total	25957	20936	23223	26932	25994

As can be seen from the table, between 2014 and 2018, India has been leading the world in the production of cotton fiber. Countries such as China, the USA, Brazil, Pakistan, and Turkey are among the leaders in this regard. Our country is one of the leaders in the world in terms of cotton fiber production.

2. In many countries, especially China, India and Pakistan, accessories in ready-made clothes are made by local manufacturers. This creates the basis for the creation of new models in clothes. In Uzbekistan, due to the fact that accessories are mainly brought from foreign countries, the cost of the finished product increases, as well as it takes a lot of time to bring the finished product to its condition. In addition, customs duties on fabrics and accessories that are not produced in Uzbekistan are high, which reduces the competitiveness of the garment industry. Therefore, there is a need to develop the production of these accessories in our country.

During 2014-2020, the dynamics of investments in fixed capital grew in our country due to sources of financing in various sectors of the economy. However, the share of the textile industry in its structure in 2014 was 715,851.7 billion. amounted to 9770459 soums by 2020. changed to soum

(Figure 1).

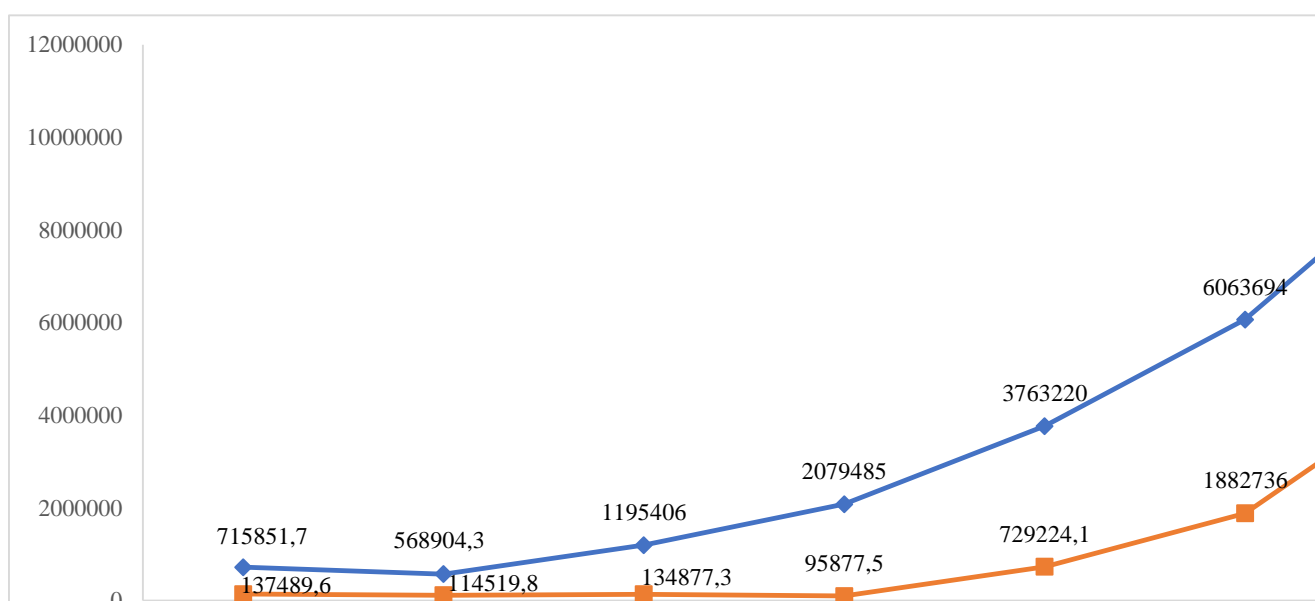


Figure 1. Dynamics of direct investment in the textile industry¹

Based on the above analysis, it can be seen that creating a healthy investment environment in the textile sector in our country and further increasing its attractiveness will create ample opportunities for rapid development of the sector.

In addition to the above positive trends of change, there are also the following problems that prevent the rapid development of the industry:

- Instability in the supply of raw materials and materials that are not produced in Uzbekistan, failure to establish a centralized import system, high duty payments for some types of raw materials and materials;
- modern sewing and dyeing enterprises do not work at sufficient capacity, low profitability, low level of use of modern technologies;
- limited access to large markets due to insufficient development of logistics systems ensuring the movement of goods, unresolved issues in the certification of textile products;
- lack of attention and incentive to inter-industry cooperation, modernization of production, implementation of innovation;
- shortage of qualified management system personnel, low level of leadership competencies of management staff, weak system of motivating employees, etc.

Table 2. The volume of investments in fixed capital by type of textile activity, (million soums)²

Years	2015	2016	2017	2018	2019	2020	2021
by republic	604969,1	715851,7	568904,3	1195406,1	2079484,9	3763220,1	9813866,3
from which:							
Republic of Karakalpakstan	41712,9	6011,2	19510,0	20074,0	86036,7	85945,9	565538,0
Andijan	29399,2	21619,4	21584,3	55554,5	225086,5	489692,0	823892,0

¹ It was prepared based on the information of the Statistics Committee of the Republic of Uzbekistan

² The official website of the Statistical Committee of the Republic of Uzbekistan was prepared by the author based on the information from www.stat.uz.

Bukhara	46325,4	64955,9	37366,2	32407,3	97826,3	311377,2	1027995,9
Jizzakh	66827,7	36187,2	61599,8	18221,1	53013,9	232027,6	895916,1
Kashkadarya	5659,2	9944,6	17778,1	164835,4	376268,2	128967,7	1285662,6
Navoi	15498,1	24329,8	15805,1	8816,1	73313,9	79819,3	362243,6
Namangan	46790,6	45163,8	40599,1	377118,4	174573,1	271868,8	1309069,2
Samarkand	34643,0	57807,1	33863,4	40815,1	256351,9	304800,0	445364,7
Surkhandarya	26707,7	33175,6	18460,9	43599,7	60526,8	363007,6	228446,2
Syr Darya	8029,8	9908,5	7460,3	32410,6	40812,4	70502,2	700166,4
Tashkent	29650,6	20611,2	39063,7	18652,1	371279,4	417468,9	564659,0
Ferghana	147896,5	137489,6	114519,8	134877,3	95877,5	729224,1	544208,4
Khorezm	33056,2	180075,3	71991,2	49959,1	19704,3	65311,7	337598,5
Tashkent sh.	72772,1	68572,4	69302,5	198065,3	148814,0	213207,1	723105,3

According to the analyzed statistics on the production of textile industry products, the weak points of the textile industry of Uzbekistan in the competition are the moral obsolescence of weaving machines, the lack of qualified engineers and technicians, the low level of specialization in the production of textile products, the lack of development of the production of local fabrics focused on sewing and knitting. In some regions, it was found that the level of fiber development is low, and the number of enterprises that have introduced quality management in accordance with international standards is small.

Activities aimed at increasing the share of ready-made sewing and knitting products with high added value are being carried out in network enterprises. If in 2017 the weight of ready-made sewing and knitting products was equal to 15.5% of the total production volume, this indicator was 34% in 2020. Therefore, today there is a tendency to increase the importance of organizing the production of finished products with high added value in network enterprises.

60% of kalava yarn produced in 2021 was processed in our country, that is, used in weaving and knitting production, 20% was exported, and 17% was sold in the domestic market.

Another of the main problems facing the textile industry of our republic that needs to be solved is the lack of full and effective use of installed machines, despite the fact that textile enterprises are sufficiently equipped with new equipment and technology. For this reason, domestic producers are forced to sell semi-finished products produced in their enterprises on the foreign market. Then, the finished products produced from these semi-finished products are re-imported to Uzbekistan (gaskets, ready-made garments).

Analyses

Also, during the years 2014-2020, the volume of production of yarn, ready-made fabric, knitted fabric and sewing and knitting products shows a growing trend.

During 2014-2021, the production volume of yarn products will increase by 2.3 times, the production of finished fabric by 1.7 times, the production volume of knitted fabrics by 3.8 times, the production volume of sewing and knitting products by 2.5 times, and the production of hosiery products by 2.5 times it is observed that the volume increases by 6.4 times. These data reflect the growth trend of the main economic indicators of the enterprises within the "Uztoqimaliksanoat" association (Table 1).

Table 3. Volume of export and import of textile products in Uzbekistan³, billion Soum

	Йиллар						
	2015	2016	2017	2018	2019	2020	2021
Export							

³ The official website of the Statistical Committee of the Republic of Uzbekistan was prepared by the author based on the information from www.stat.uz.

by republic	910,3	883,7	922,9	1 133,6	1 300,3	1427,2	1566,6
<i>from which:</i>							
Fergana region	213,3	203,3	216,8	266,2	281,9	303,5	326,7
Import							
by republic	103,6	84,6	79,9	138,8	178,2	213,0	254,7
<i>from which::</i>							
Fergana region	2,7	1,9	2,5	5,8	8,8	12,8	18,9

According to the data in the table, the volume of production of yarn, ready-made fabric, knitted fabrics, sewing and knitting products and hosiery products has increased sharply in the period of 2015-2021.

The increase in the technical potential of textile enterprises, in turn, acts as a factor ensuring the increase in the type of products and the volume of production.

Currently, textile products produced in our country are exported to more than 50 countries of the world. Among them, the main export market is the CIS countries, in particular, the Russian Federation. In addition, textile industry products are exported to Latin America, the European Union, the Republic of Korea, China, Singapore, Iran, Israel, and the United States.

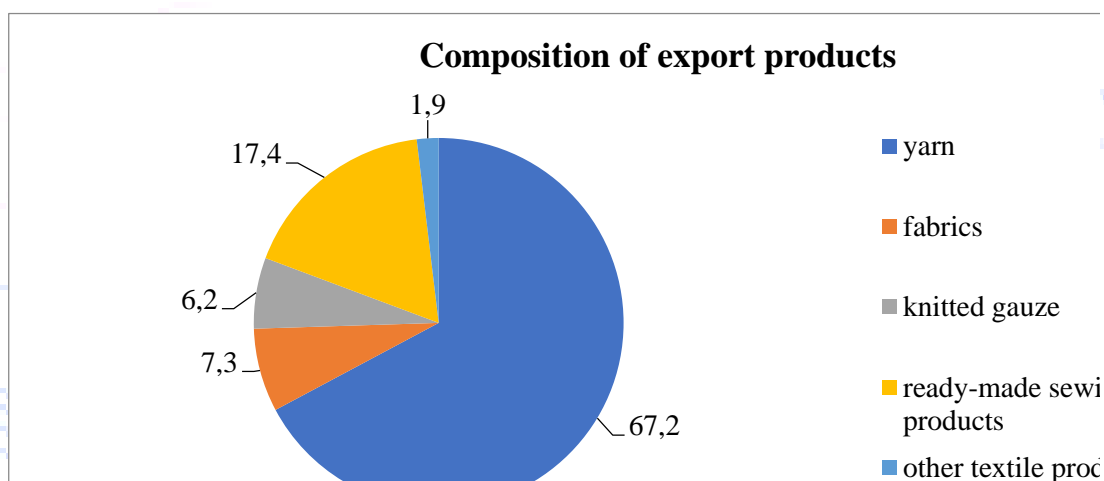


Figure 2. Composition of exported textile products⁴

As can be seen from the above picture, along with the increasing trend of the volume of products created by the enterprises of the textile industry network, there is also a trend of change in the composition of exported products that is ready for final consumption, that is, with a high added value chain. Although the share of ready-made sewing and knitting products in the exported textile products in 2021 reached 17.4%, it can be seen that the yarn and yarn products constitute the main share in the total export volume (Fig. 2).

Discussion

We can conclude from this that in order to increase production efficiency, we need to reduce the share of imported textile industry goods in the development of marketing strategy and increase the volume of production of finished products in our local enterprises by attracting foreign investments and introducing new technologies.

In the implementation of work aimed at increasing the production potential of the textile industry of Uzbekistan, it is important to improve financial interest and technological interdependence between

⁴ ITC сайти маълумотлари асосида тайёрланди.

cotton seed suppliers and cotton fiber growers on the one hand, and between cotton fiber suppliers and cotton processors on the other hand. .

We believe that investments should be directed more from the spinning-weaving production to the sewing-knitting industry. Due to the high capital capacity, attracting investments in the primary textile sector was appropriate for the initial stage. Today, the world market is saturated with products of spinning and weaving production, as a result, there is strong competition between the developing countries for yarn and raw yarn. As a result, the level of profit in enterprises is low, even the profitability of enterprises is decreasing.

In such conditions, we believe that it is appropriate to give benefits and preferences to all textile enterprises, and to those who create integrated production, they should carry out processing of kalava thread or gauze, dyeing and finishing, and organize sewing production.

This sector can actually produce a wide range of textile products that are in constant, high demand in the domestic and foreign markets. Compared to spinning and weaving production, the organization of such productions is distinguished by the fact that the volume of capital expenditures is not high. Our advantage is the presence of our own local production of fabric dyeing and finishing. This allows to organize and control production in Uzbekistan with minimal expenses, as well as to create a closed chain of production up to the finished product.

In this case, the cycle from the yarn to the finished product can be closed in a shorter period of time compared to gas and materials.

The organization of such production is characterized by the highest level of employment of the population in the textile industry with the use of high-quality raw materials, creating a high level of added value, increasing export opportunities.

Stimulating the creation of small sewing enterprises that are flexible to changes in market conditions, creating a large number of small sewing enterprises, and attracting small investments will allow to increase the employment of women among the population of our republic. We believe that the development of the highly efficient sewing industry, in turn, will be the basis for the development of the production of accessories, accessories and fittings.

Today, although there is dyeing production in large spinning, weaving, and knitting enterprises, most of them are worn out, corroded and do not allow production of the necessary quality products. If it is necessary to increase the productivity of machines for spinning production, to introduce automated and computerized production management systems, to expand new production possibilities for weaving production, to increase efficiency, to carry out the main production funds for the dyeing and finishing of kalava yarn and gauze. radical renewal, shortening of the technological cycle, introduction of technologies with low energy consumption and high efficiency are required.

It is necessary to organize the production of spare parts for textile machines. One of the main factors preventing the technical modernization of production is the insufficient production of not only the machines used in the textile industry, but also their spare parts and perishable inventory.

Today, the technical service system for modern machines is not well established. The constant importation of spare parts from abroad, the high level of maintenance costs for machines are among the factors that hinder the competitiveness of domestic textile and light industrial products. The organization of the production of spare parts of weaving looms and the establishment of enterprises providing technical service to textile enterprises will create an opportunity to reduce the costs of textile production in the future.

Imported components, accessories, fittings, which are not produced in our country, but allow the production of high-quality and competitive sewing and knitting products for the domestic and foreign markets, as well as spare parts for machines of all textile and light industrial enterprises, should continue to be imported without customs fees. . Because the need for components will be great until the creation of textile machinery due to active investment activities and constant updating of existing equipment.

The economic-statistical analysis of the activity indicators of enterprises of the textile industry network in Uzbekistan during 2011-2021 made it possible to identify the following specific trends of change:

- in proportion to the growth of the country's gross domestic product and the volume of industrial production within it, the production volume of the textile industry has also grown steadily;
- although the volume of the gross product produced by the textile industry has increased in terms of value, its growth rate has decreased from 18.3% to 11.9% over 10 years;
- during the years 2014-2021, the production of kalava yarn in the branch enterprises increased by 2.3 times, the production of ready-made fabrics by 1.7 times, the production of knitted fabrics by 3.8 times, the production of sewing and knitting products by 2.5 times, and the production of socks by 6 times increased by 4 times;
- export of products by enterprises of the textile industry network and import of textile products into the country compared to last year (export - 9.8%, import - 19.6%) and compared to the situation in 2014 (export - 72.1%, import - 145, 8%) growth occurred. It is important to emphasize that the foreign trade balance of textile products in 2021 will be +1311.9 billion. amounted to soum;
- although the share of deeply processed products in export products reached 32.8%, it was found that the share of kalava yarn in export was high (67.2%). This, in turn, shows that in the future, the share of deeply processed products with a high added value chain should be increased in the composition of exported products;
- the increase in the volume of foreign direct investments attracted to the textile industry was 61.1% at the national level in the last year, while the growth rate of this indicator was 158.2% in the Fergana region.

In increasing the production capacity of the textile industry of our republic, the implementation of structural restructuring by the state, the resolution of inter-sectoral and regional disparities, the provision of science and technology development, as well as the implementation of a rational investment policy are important.

In conclusion, we can say that the creation of cluster-type holding companies, which include production stages from processing raw materials to the appearance of finished products, which unite interconnected, cooperative productions, does not lead to monopolization of the network, such holding companies are not one, not two, but dozens. it is necessary to create a competitive environment in the network through organization.

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