

INCREASING THE EXPORT POTENTIAL OF ENTERPRISES OF THE TEXTILE AND GARMENT INDUSTRY

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ABSTRACT

The article analyzes the export process of the garment industry, the factors influencing it and the export potential of enterprises in the textile industry operating in our country and ways to implement it. Strong domestic competition encourages domestic companies to enter and export to the world market, as local competition forces the company to focus on foreign markets and increase the efficiency and profitability of its operations. is coming. Also, the current results of export activities of enterprises of the branch of the Association “Uztextile Industry” are presented.

KEYWORDS: *Textile, Sewing And Knitting, Production, Strategy, Export, Export Of Goods, Capital Export, Re-Export, Competition, Efficiency.*

1. INTRODUCTION

At the present days, the textile industry of Uzbekistan is one of the strategically important and rapidly developing sectors of the national economy. It is important to introduce new technologies in production, efficient use of high-efficiency, modern equipment, modern management methods, achieve high productivity in textile enterprises, accelerate production and produce competitive products that meet the requirements of domestic and foreign markets. In accordance with the Resolution of the President of the Republic of Uzbekistan Sh. Mirziyoyev dated February 12, 2019 № PP-4186 “On measures to further deepen the reform of the textile and clothing industry and expand its export potential”: it is necessary to further deepen the ongoing reforms in the textile and clothing industry, create favorable conditions for the rapid development and diversification of the industry, increase investment in the deep processing of semi-finished textile products and exports of finished products [1].

90% of the enterprises of the garment industry are semi-finished products such as yarn and cloth, and the rest are garments. Therefore, investments should be directed primarily to the modernization of spinning mills on a competitive basis, in parallel with the expansion of the production capacity of sewing and dyeing shops, garment enterprises based on the balance method.

The textile industry, as one of the most promising sectors of the economy of the republic, includes several industries that produce finished products, and at the same time it employs a large part of the employed population, which in turn serves as a basis for employment. But at the same time, the low efficiency of production and product quality in this industry, the imbalances in the economic and social development of the industry, its changes, require a comprehensive approach to innovation. The enterprises of this sector are notable not only for

their high labor costs, but also for their free work in almost all regions of the country on the location of production, opening branches and small businesses.

Factors slowing down the development of the textile industry include low labor productivity, inefficient use of existing equipment and technologies, we can include factors such as lack of skilled workers and low level of qualification of existing ones. In addition, the rapid growth of prices for raw materials and supplies to enterprises than the prices of finished products also has a negative impact on the development of the industry. Therefore, the development of all sectors of the textile industry producing finished products, ensuring the growth of exports will have a significant impact not only on the sector, but also on the growth of national income

2. RESEARCH METHODOLOGY

Export is the concept of selling goods or services to other countries in international trade. The word export means “exporto” in Latin, “out of port” [2].

There are different ways to export goods, through which you can choose the direction of export. (Picture 1)

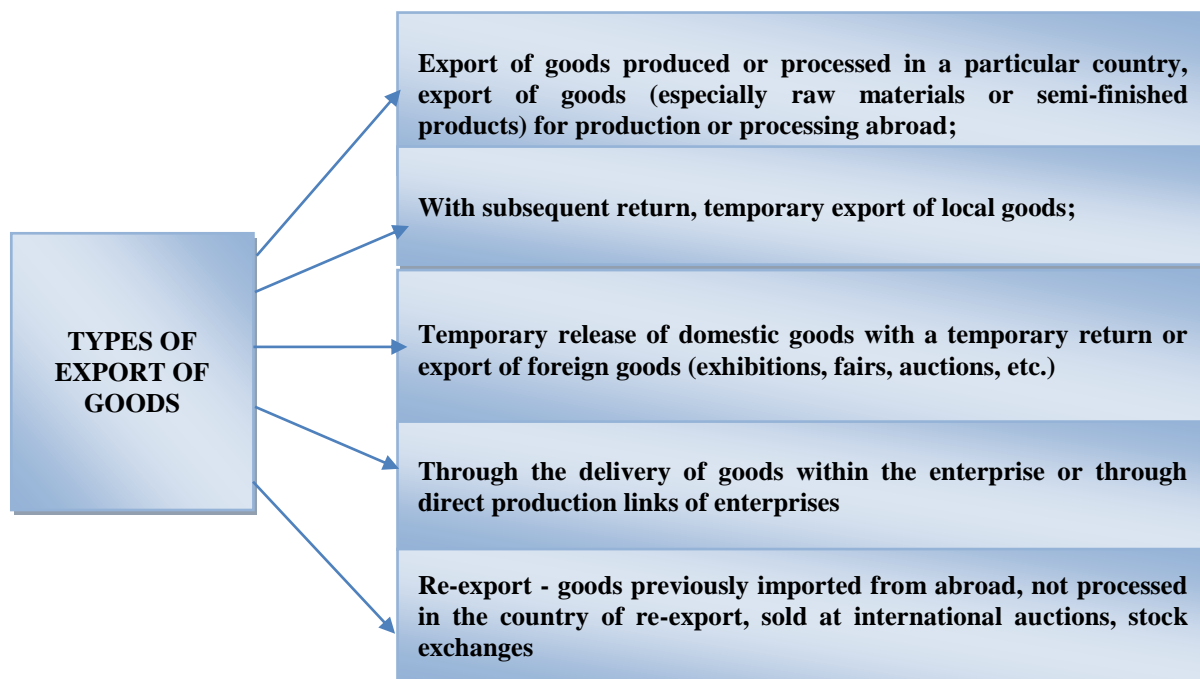


Figure 1. Types of export of goods

Export of goods - the export of material goods in a particular property. Capital export is the expenditure of funds to organize their production abroad. Online platforms for exporters are used to organize exports. Today, several export associations provide practical assistance in organizing online sales for exports, providing products and finding business partners, buyers, suppliers, investors around the world.

3. RESEARCH RESULTS AND ANALYSIS

The growth of exports of textile products can be considered directly as a result of reforming the production of finished products and the formation of added value instead of raw cotton. For example, in January-December 2020, textile products were exported in the amount

of 1922.2 million US dollars, which is 12.7% of total exports, an increase of 18.1% compared to January-December 2019. The main share in the structure of textile exports was occupied by cotton yarn (48.9%) and finished knitwear and garments (26.4%). In January-December 2020, more than 498 types of textiles were exported to 70 countries [3].

The country's textile exports increased by 15.9% in the first 10 months of 2020. During this period, the country exported textile products worth 1 billion 524.7 million dollars. During the period under review, 48.9% of textile products were cotton fiber, 27.4% - ready-made knitwear and clothing. During the same period, \$ 649.1 million worth of cotton fiber, \$ 376.8 million worth of ready-made knitwear and clothing, \$ 103.1 million worth of knitted fabrics, \$ 72.4 million worth of cotton fabric, \$ 30.6 million worth of silk and silk products and \$ 18.1 million worth of carpets were exported. Russia exported 522 types of textiles to 65 countries, with Russia exporting the most textiles worth \$ 543.7 million. Uzbekistan, one of the world's leading cotton producers, aims to completely stop cotton exports by 2020, fully process all domestically grown cotton fiber and increase textile exports to \$ 2 billion this year and \$ 8 billion in 2025. [4].

The bulk of exports are to the Russian Federation, China, Kyrgyzstan and Turkey. It should be noted that the \$ 2 billion textile exports projected for 2020 were close to reality at the beginning of the year due to quarantine restrictions. Due to the intensification of quarantine measures in Uzbekistan and abroad, the sharp rise and restriction of freight prices, the closure of major shopping centers in China, Turkey, Russia and Europe, which led to the partial or complete cancellation of orders, weakened the purchasing power of the population. A decline in world prices for products was observed. As a result of timely measures taken by the government to support entrepreneurs, the activities of more than 252 exporting enterprises have been revived, production and exports have accelerated.

While the pandemic had negative consequences, it also created new opportunities. For example, due to strict quarantine measures and closure of borders in neighboring countries, together with the Ministry of Transport of the Republic of Uzbekistan, alternative routes for cargo transportation through the Islamic Republic of Iran are the port of "Aktau", Uzbekistan, Karakalpakstan, the Caspian Sea, Iran and Uzbekistan, Karakalpakstan, Kazakhstan, Russia, Georgia, Armenia, Azerbaijan, Iran. Air transportation has also been accelerated in the export of products.

This, in turn, created an opportunity to supply textile products to new markets. In particular, in June 2020, with the support of the Embassy of the Republic of Uzbekistan in Kuwait, on the basis of an agreement between "Fursan Al Khaleej" and "Light Industry Trade" LLC, textile products were exported to Kuwait for the first time.

In addition, textile enterprises have launched the production of 6 million masks and 10,000 overalls a day. Protective equipment was exported to countries such as Ukraine, Russia, Kuwait, Belarus and Georgia. In total, 395 types of textiles and garments were exported to more than 7 countries. In addition to the CIS countries, which are our permanent markets, textile products were exported for the first time to Kuwait, Hungary, Slovakia and Greece. The bulk of exports were to the Russian Federation (\$ 394.5 million - 39.2%), China (\$ 187.6 million - 18.6%), Kyrgyzstan (\$ 139.1 million - 13.8%) and Turkey (\$ 139.1 million). \$ 123.5 million - 12.3%).

According to statistics provided by the "Uztextile Industry Association" to "Gazeta.uz", in 2020 Uzbekistan exported \$ 1.86 billion worth of textiles, which is 21.2% more than in 2019. This figure is 12.3 percent of last year's total exports (\$ 15.1 billion), or 20 percent

excluding gold exports (\$ 9.3 billion).

The main share in the structure of textile exports was yarn (50.7%), as well as finished knitwear and garments (36.3%). According to the State Statistics Committee, in 2020, the export geography of Uzbekistan covered 70 countries, where more than 498 types of textiles were sold. Russia (\$ 655.5 million, 35.6%), China (\$ 403.4 million, 21.6%) and Kyrgyzstan (\$ 284.4 million, 15.2%) accounted for the largest share of textile exports. At the same time, the volume of exports to the last country in terms of value increased by 3 times compared to last year. According to LS, Uzbekistan has overtaken Russia in terms of clothing exports to the Kazakh market. During the year, Uzbekistan exported about 13,000 tons (+ 30.4%) of clothing worth \$ 20.8 million to Kazakhstan, and 10.1 thousand tons of clothing worth \$ 182.8 million to Russia.

EXPORTS OF TEXTILES AND KNITWEAR OF THE REPUBLIC OF UZBEKISTAN IN 2019-2020 [4]

№	Country	2019	2020			
		Thousand Dollars	Weight, %	Thousand Dollars	Weight, %	Growth, %
	Total:	1 541 140,5	100%	1 868 415,4	100%	121,2%
1	Russia	596 371,4	38.7%	665 488,5	35.6%	111.6%
2	China	389 922,8	25.3%	403 441,4	21.6%	103.5%
3	Kyrgyzstan	89 837,3	5.8%	284 451,8	15.2%	316.6%
4	Ukraine	29 229,1	1.9%	34 251,2	1.8%	117.2%
	European Countries	247 612,5	16.1%	287 870,3	15.4%	116.3%
5	Turkey	192 642	12.5%	212 212,8	11.4%	110.2%
6	Poland	24 505	1.6%	43 437	2.3%	177.3%
7	Germany	7 098,7	0.5%	6 934,4	0.4%	97.7%
8	Italy	11 133,3	0.7%	10 193,7	0.5%	91.6%
9	Czech Republic	2 476,1	0.2%	2 285,3	0.1%	92.3%
10	Lithuania	1 654,2	0.1%	2 825,2	0.2%	170.8%
11	Portugal	1 681,2	0.1%	2 650,4	0.1%	157.6%
12	Belgium	2 257	0.1%	2 285,8	0.1%	101.3%
13	Bosniaand Herzegovina	0	0.0%	1 019,7	0.1%	
14	Latvia	1 614,6	0.1%	1 319,9	0.1%	81.8%
15	Macedonia	0	0.0%	407,8	0.0%	
16	Romania	488,7	0.0%	390,1	0.0%	79.8%
17	Spain	176,3	0.0%	349,4	0.0%	198.2%
18	Bulgaria	78,8	0.0%	533,6	0.0%	676.9%
19	United Kingdom	368,5	0.0%	203,2	0.0%	55.1%
20	Slovakia	62,8	0.0%	127,6	0.0%	203.2%
21	Estonia	200,6	0.0%	193,3	0.0%	96.3%
22	Serbia	444,5	0.0%	108,8	0.0%	24.5%
23	Hungary	0	0.0%	102,5	0.0%	
24	Greece	19,6	0.0%	54,9	0.0%	279.7%
25	Slovenia	37,9	0.0%	39,4	0.0%	103.7%
26	Switzerland	199,6	0.0%	18,6	0.0%	9.3%
27	France	250	0%	120,2	0.0%	48.1%
28	Montenegro	0	0%	9,4	0.0%	

29	Austria	1,2	0%	41,1	0%	3309.3%
30	Luxembourg	0	0%	6,2	0%	
31	The Netherlands	221,8	0%	0	0%	0%
	CIS countries	87 743,8	5.7%	96 600,6	5.2%	110.1%
32	Kazakhstan	38 474,5	2.5%	42 716,8	2.3%	111.0%
33	Belarus	23 329	1.5%	17 414,5	0.9%	74.6%
34	Azerbaijan	10 577	0.7%	12 468,3	0.7%	117.9%
35	Tajikistan	6 998,4	0.5%	13 369,3	0.7%	191.0%
36	Moldova	6 531,1	0.4%	6 418,6	0.3%	98.3%
37	Turkmenistan	903,4	0.1%	1 892,4	0.1%	209.5%
38	Armenia	930,5	0.1%	2 320,7	0.1%	249.4%
	American Countries	789,9	0.1%	4 825,5	0.3%	610.9%
39	USA	271	0.0%	1 045,4	0.1%	385.7%
40	Peru	91,9	0.0%	1 711,7	0.1%	1861.6%
41	Canada	0	0%	5,2	0.0%	
42	Chile	24,4	0%	156,6	0.0%	642.0%
43	Colombia	277,7	0.0%	60,8	0.0%	21.9%
44	Paraguay			107,8	0.0%	
45	Dominican Republic			33,4		
46	Brazil	124,9		1 704,5	0.1%	1364.7%

STRUCTURE OF TEXTILE AND KNITWEAR EXPORTS OF THE REPUBLIC OF UZBEKISTAN IN 2020 [4]

№	Product type	Unit of Measurement	January-December 2020 Amount	sum (Mln. Dollars)	Portion, %	Growth Rate, 2019,%
	Total:			1,868.4	107.8%	121.2%
1	Yarn Wraps	Thousandtons	455,4	947,3	50,7%	107,5%
2	Fabrics	mln.kv.m.	296,5	103,9	5,6%	140,8%
3	Knitted Fabric	Thousand tons	33,2	139,5	7,5%	176%
4	Other types of finished products	Mln.doll.		677,8	36,3%	133,6%
	Including:					
4.1	Textiles and Knitwear	Mln. piece	446,9	648	34,7%	133,3%
4.2	Socks Products	Mln. couple	119,8	29,8	1,6%	140,9%

Uztextile Industry Association and the enterprises of the sector, the growth rate of exports in 2019 compared to 2019 was provided by 112%, and the share of yarn in total exports was 49%, fabrics and knitted fabrics, finished garments and knitwear - the share of value-added and high value-added products in total exports reached 51%.

4. CONCLUSION

Establishment of an effective management system in the enterprises of the textile industry, attraction of new investments, introduction of modern equipment and technologies, full use of these equipment and technologies and the recruitment of qualified technologists, one of the

most important tasks today is to produce products that meet the demand for quality and bring them to domestic and foreign markets. In our country, a program has been developed until 2025 to provide economic support to textile and garment enterprises after the pandemic. This includes, first of all, measures to ensure that there are no disruptions in the activities of enterprises, to maintain the existing labor force and to increase exports [5].

In accordance with the Decree of the President of the Republic of Uzbekistan dated May 7, 2020 “On measures to further support export activities”, a list of products that provide subsidies to local exporters to reimburse up to 50% of road, rail and air transport costs was approved. In accordance with this document, a permanent republican commission on the development of export potential of regions and industries has been established. The Commission is also making changes and additions to the list of products that will be subsidized for transportation costs for export. [6].

The role of textile enterprises in the employment of the population is great. At present, the network employs more than 360,000 people, and enterprises have been established in all districts. Expanding the production of value-added products through deep processing of cotton fiber is becoming the core of their activities. This is confirmed by the following data. If in 2016, exports of textile products were around \$ 1.1 billion, by 2020 this figure will reach \$ 2.1 billion. Their main consumers are CIS countries China, Turkey. Today, these products are exported to more than 55 countries around the world.

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