

WAYS TO INCREASE THE EXPORT CAPACITY OF TEXTILE INDUSTRY ENTERPRISES

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Abstract

This article provides a comprehensive analysis of the issues of increasing the export potential of textile industry enterprises. In the current global economic climate, the development of new export markets for the textile industry of Uzbekistan, bringing product quality to international standards, and producing finished products with high added value are of urgent importance. The author considers the existing problems in the industry, their causes, and ways to eliminate them. In particular, practical proposals are put forward on the development of export infrastructure, improving the logistics system, increasing competitiveness in foreign markets, and mechanisms for state support for enterprises producing export-oriented products.

Keywords: Textile industry, export potential, foreign markets, finished products, international standards, logistics system, investment, competitiveness, export strategy, added value, economy of Uzbekistan.

Introduction

Today, diversifying the industry and increasing export potential in Uzbekistan has become one of the priorities of the state economic policy. In this regard, ensuring the competitiveness of textile enterprises and further strengthening the country's export potential by expanding their share in foreign markets is one of the urgent tasks. The textile industry has export-oriented production potential, and there is a growing need to increase exports of high value-added products, adapt to international standards, and enter new markets. In the current environment of increasing competition in the global market, developing the industry based on modern technologies and strengthening export infrastructure serves economic growth. Therefore, scientific research on this topic has its theoretical and practical significance.

Analysis of Scientific Literature

The number of scientific studies on the export potential of the textile industry, factors for its increase and state support measures has increased significantly in recent years. Various authors pay special attention to the study of this area from an economic, innovative and

organizational perspective. In particular, Abdullaev S.Sh. paid attention to the issues of technological innovation and production of competitive products in the textile industry, emphasizing the importance of increasing the share of finished products in increasing export volumes¹. In assessing the export potential of the textile industry prepared by Yuldoshev Q.J., international standards and quality control are indicated as the main factors in promoting national products in foreign markets². Jumaev S.A. analyzed ways to increase export potential by applying advanced foreign experiences in the textile industry of Uzbekistan³. Nazarov A.A. Special attention was paid to strategic directions for entering foreign markets and improving export infrastructure⁴. Karimov F., Tadjibaeva D. in their articles in the international scientific journal emphasize the importance of innovation, investment and technology in increasing the export competitiveness of the Uzbek textile industry. They also suggest the need to implement integration and diversification with foreign markets⁵

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Methodology

To assess the economic efficiency of a country, region or industry in the foreign market, it was necessary to determine the international competitiveness coefficient (X_{rk}) by calculating the ratio between export and import volumes. Based on this coefficient, we can assess the state of the national and regional economy in the foreign market, determine the level of external economic stability, and study the efficiency of industrial sectors and clusters. The international competitiveness coefficient is determined as follows.

$$X_{rk} = \frac{E-I}{TIA} \quad (1)$$

Here, X_{rk} – International competitiveness coefficient;

E– Export volume;

I- Import volume;

TIA- Foreign trade value.

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Analysis and Results

In recent years, the share of industrial and textile products in the export structure of the Republic of Uzbekistan and Andijan region has changed somewhat (Table 1).

Table 1 Export indicators of the Republic of Uzbekistan and Andijan region⁶

Indicators	2015-y.	2017-y.	2020-y.	2021-y.	2022-y.	2023-y.	2024-y.
Share of industrial products in the republic's exports	8,7	14,9	15,1	16,7	19,7	24,9	26,9
Share of textile industry products in the republic's industrial exports	57,7	58,4	66,1	67,5	72,3	75,9	68,3
Share of industrial products in the Andijan region's exports	59,1	33,6	21,5	32,0	22,9	20,6	21,4
Share of textile products in the Andijan region's industrial exports	23,4	26,4	38,5	16,2	21,0	20,8	19,3

The table shows that the general trend at the republican level is that in 2015, industrial products accounted for 8.7% of total exports, while in 2024 this figure reached 26.9%. This indicates an increase in the level of industrialization, the fact that domestic production potential meets the demand in foreign markets, and the strengthening of the role of industry in exports. Textile products occupy a leading position in the structure of industrial exports, increasing from 57.7% in 2015 to 75.9% in 2023, and then decreased to 68.3% in 2024. This indicates that diversification is taking place in the sector with a high share. In Andijan region, industrial products accounted for 59.1% of total exports in 2015, but in recent years this figure has sharply decreased and amounted to 21.4% in 2024. Indicating that industrial enterprises in this region are not sufficiently able to compete in foreign markets or have limited production and logistics capabilities, the textile sector had a high share of the region's industrial exports, at 38.5% in 2020, but this figure has decreased in recent years, reaching 19.3% in 2024. This indicates the lack of a sustainable export policy and problems in adapting to technology and market requirements.

The country's export potential has improved somewhat in recent years, with the composition of exports improving year by year (Figure 1).

⁶ Compiled by the author based on data from the State Statistics Committee of the Republic of Uzbekistan and the Andijan Regional Statistics Department



Figure 1. Changes in the export structure of the Republic of Uzbekistan

The share of exports to the CIS countries in the country decreased from 43.1% in 2015 to 33.6% in 2024. This indicates that Uzbekistan has activated its access to markets outside the CIS, while in 2020 it decreased to a minimum of 27.2%. The share of other foreign countries, which was 56.9% in 2015, reached 66.4% in 2024. This is the result of diversifying export markets, that is, developing relations with countries such as Europe, Asia, the Middle East, and the USA. A temporary decrease of 39.7% was observed in 2022. This means that in 2023-2024, 66% of exports will be accounted for by other foreign countries. This is considered a successful result of Uzbekistan's foreign economic policy. Thus, the policy of diversifying the geography of exports is being effectively implemented in the economy of Uzbekistan. This allows reducing risks from foreign markets, diversifying the currency, and cooperating with countries with new technologies. In order to increase competitiveness in foreign markets in the coming years, it is necessary to bring product quality into line with international standards and improve the logistics system.

Below is a SWOT analysis of the export potential of the textile industry of Uzbekistan.

S – Strengths	W –Weaknesses
<ul style="list-style-type: none"> • Adequacy of raw material base (cotton) • Cheap labor and labor resources • State support policy • Favorable geographical location for exports • Free economic zones and tax incentives 	<ul style="list-style-type: none"> • Low share of high value-added products • Insufficient modern technologies • Quality control problems in some enterprises • Limited marketing and outdoor advertising opportunities • Weak logistics and transport infrastructure

O – Opportunities	T – Threats
<ul style="list-style-type: none"> • Access to markets such as Europe, Turkey and China • Access to new markets by implementing international quality standards • Introduction of innovative technologies and automation • Increased interest in the industry for foreign investors • New export channels through e-commerce and B2B platforms 	<ul style="list-style-type: none"> • Increased international competition • Geopolitical instability (sanctions, foreign relations) • Exchange rate volatility • Export restrictions due to non-compliance with environmental standards • Technical regulations and licensing requirements for domestic manufacturers

Summary

Thus, the textile industry of Uzbekistan has been showing a steady pace of development in recent years. In particular, the increase in export volumes and the share of finished products is considered one of the main indicators of the development of the sector. Analyses show that in 2023 and 2024, the share of textile products in exports at the republican and regional levels achieved steady growth. However, this growth is largely ensured by state incentives, the availability of cheap labor and raw materials.

At the same time, in order to successfully compete in foreign markets, it is necessary to improve product quality, adapt to international standards and introduce innovative solutions. Maintaining the negative coefficient of international competitiveness in the republic requires further deepening of systemic reforms in this area.

Therefore, in order to increase the export of textile products, it is necessary to pay special attention to the following.

1. It is necessary to expand the production of high-value-added products, forming a complete chain from cotton to finished textile products.
2. Develop export infrastructure - it is necessary to develop logistics, certification centers and foreign trade information services.
3. Introduce international quality standards - it is necessary to expand programs aimed at certifying products according to standards such as ISO, OEKO-TEX, GOTS.
4. Strengthen marketing and promotional activities in foreign markets - it is important to create national brands and promote them through international exhibitions.

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