

Prospects for the Development of the Textile Industry of Uzbekistan

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Abstract. The introduction of continuous forms of organization of production was identified as a priority for textile enterprises as the most important condition and source of measures for the development of the country's textile industry and the production of export-oriented products. In this regard, the article examines some of the problems of the formation of a modern competitive national textile industry in the Republic of Uzbekistan. And on this basis, priorities were developed for the development of the textile industry for the medium term.

Keywords: development, equipment, finished products, industry, production efficiency, technologies, textile industry, export, export potential.

In the modern world, competitive export must be effective, namely: create a market for highly qualified workers, develop technologies and introduce them into production. The leadership of our country pays special attention to expanding the position of domestic products in foreign markets, as evidenced by the set of additional measures adopted in Uzbekistan to increase the export potential of the country's textile and garment and knitwear industry

The global textile industry was valued at USD 993.6 billion in 2021 and is expected to reach USD 1,032.1 billion in 2022, forecast to grow at a CAGR of 4.4% during 2019-2025 (\$1,207 billion). This growth is attributed to high demand for clothing, especially in developing countries including India, China, Bangladesh and Mexico, as a result of population growth. In addition, rising levels of disposable income and rapid urbanization in these countries have led to an increase in the number of outlets and supermarkets; thereby supporting the overall growth of the market.

The textile industry is an ever-growing market with main competitors being China, the European Union, the US and India. China is the world's leading manufacturer and exporter of both raw materials and clothing. The United States is the leading producer and exporter of raw cotton, and also receives the award for the top importer of raw textiles and apparel. The textile industry of the European Union is the leading one in Germany, Spain, France, Italy and Portugal, the value of which is more than 1/5 of the world volume, and today is estimated at more than 160 billion US dollars. The growing demand for high-tech textiles is one of the main drivers for the development of this regional market.

India is the third largest textile industry and has an export value of over US\$30 billion. India accounts for over 6% of global textile production and is valued at around US\$150 billion.

Change in consumer perspectives:

- Nowadays, more and more people prefer comfortable and affordable clothing.

High level of urbanization:

- In countries such as China, India and Mexico, urbanization is increasing, and therefore new outlets are opening, which also has an impact on a further increase in demand.

Increasing disposable income:

- As the income of the middle class population rises, more and more people are switching to affordable clothing and prefer textiles not only in confinement, but also for household needs, which is currently

Essential in the production of manufacturing:

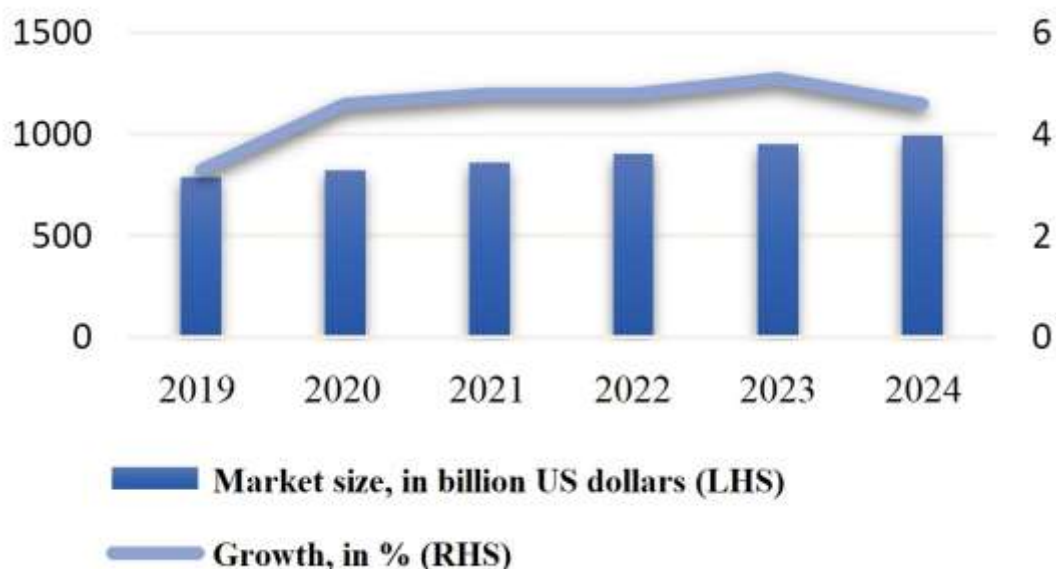
- High-intensity labor in industry and lower cost of labor forces in the APAC countries will further boost the growth of the global textile market.

Segmentation of the textile market			
Fibers	Yarn	Textile	Cloth
Cotton	Single	Bedding	Men's
Silk	Folded	Upholstery fabric	Women's
Woolen	Multiplied	Home	Children's
Animal fibers	Special	Mobile	Clothing for pets
Vegetable		Medical	
Artificial		Sports	
		Thoughtful	

In 2019, the cost of labor in the textile industry in Uzbekistan was \$0.41 per hour, while in Bangladesh the minimum labor cost was \$0.24, India \$0.33 and Vietnam \$0.5, Indonesia - \$0.47 Pakistan - \$0.68 China. - 1.7 UAH. In Malaysia, the minimum labor cost is US\$1.39 per hour, while in Turkey and the Republic of Korea it is US\$5.8. In Western Europe, the USA and Japan, this figure is several times higher (\$6.3-8.4). In France the highest minimum labor cost is \$11.2 an hour.

The apparel manufacturing market covers all apparel except leather, footwear and knitwear, as well as other technical, household and finished products. Market size is estimated based on the value of domestic production plus imports minus exports, all valued at producer prices. The market value of clothing and apparel companies not worldwide was \$861.4 billion in 2019 and is projected to grow by 4.8% to \$902.5 billion. The CAGR through 2022 will remain at 4.8% overall and is expected to be worth \$992.0 billion in 2022. USA (Market Line, 2019).

Today, the textile and clothing industry of Uzbekistan is one of the leading and dynamically developing industries. According to the Committee of the Republic of Uzbekistan on Statistics, in the third quarter of 2019, the share of the textile industry accounted for 11.4% of the total industrial production of the country, its share in GDP was about 3%, in production in the production of non-food consumer goods more than 40%. Apparel and non-manufactured apparel market value forecast: \$billion, 2019-2024



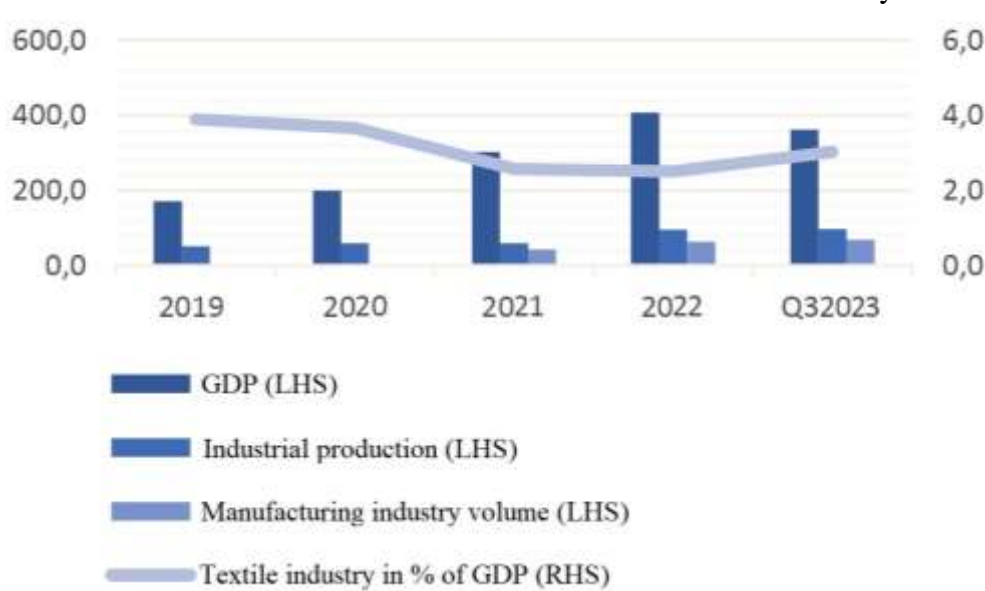
Source: State Statistics Committee, RB Asia and UOIK

The annual growth of industrial production in recent years has amounted to about 18%. As for the number of textile products in the total volume of industrial production, it amounted to more than 10%, while the share of textile products in the structure of the manufacturing industry over the past five years has totaled 16.6%. The total output of the textile industry in 2019 amounted to:

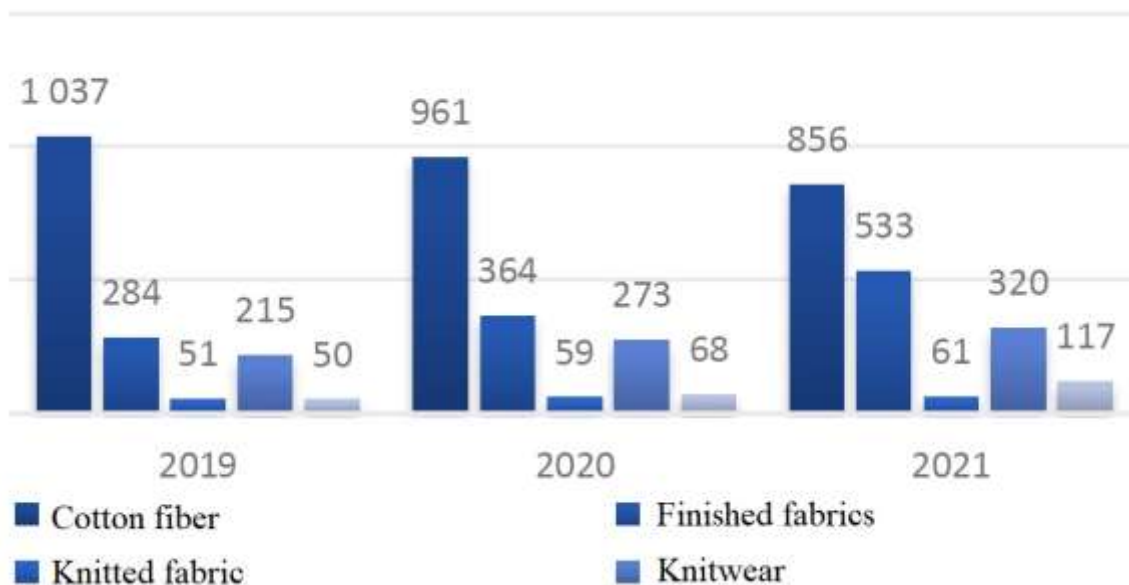
- Cotton fiber -856 thousand tons;
- Finished fabrics -533 million m²;
- Knitted fabric -60.5 thousand tons;
- Knitwear -319 million units;

- Hosiery -117 million pairs.

Dynamics of the main macroeconomic indicators and the share of the textile industry



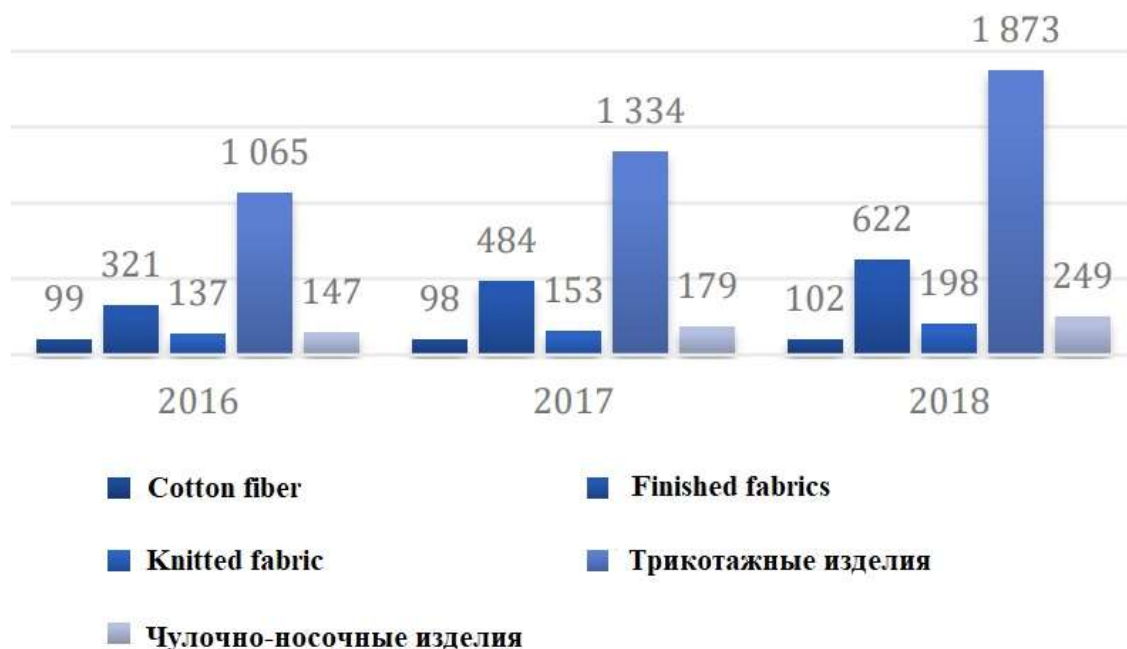
Dynamics of production of certain types of industrial products



Source: State Statistics Committee, RB Asia and UOIK

The graph shows that the main focus of production is shifting from raw materials such as cotton yarn to value-added products in the cotton textile production chain such as fabrics, knitwear and hosiery. To date, the volume of finished fabrics produced has almost doubled over the period 2017-2019. (From 284 to 533.3 million square meters, respectively). There is also a noticeable increase in the production of knitwear, which grew by 150%.

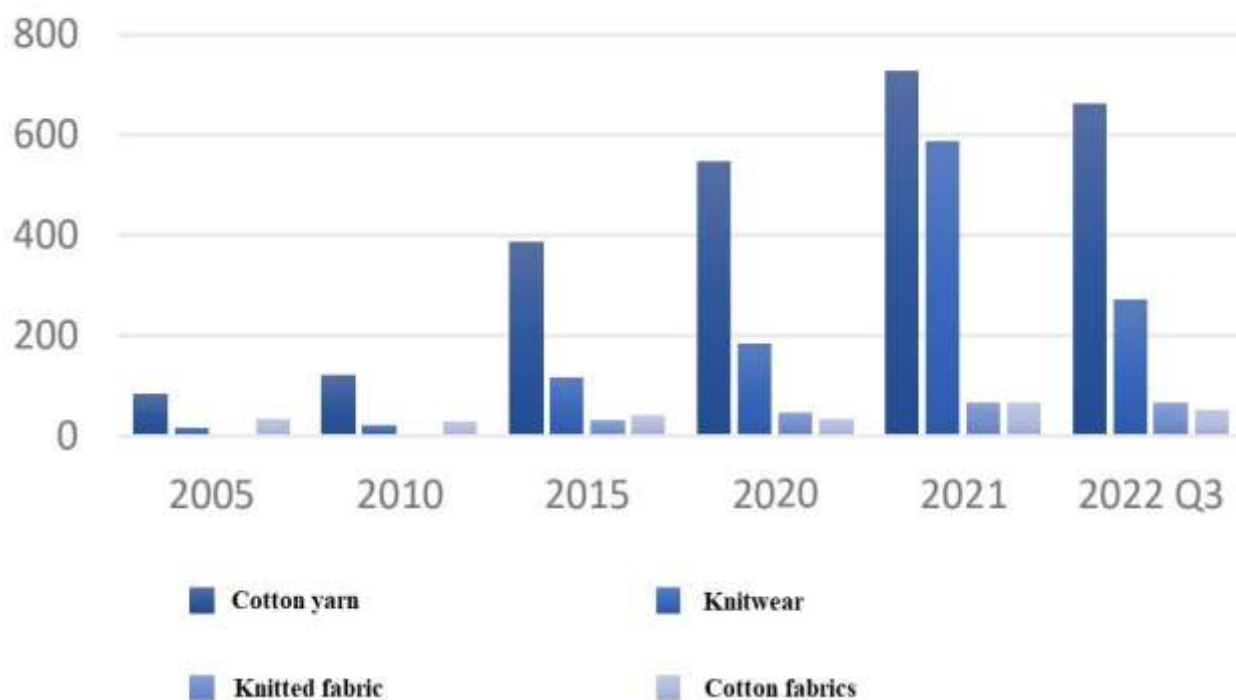
Number of enterprises producing certain types of textile products



Source: State Statistics Committee, RB Asia and UOIK

As noted above, an increase in the number companies specializing in production of cotton yarn, in line with the industry as a whole. Quantity enterprises for the production of knitwear products, fabrics and hosiery increases significantly, and their total number increased from 1670 in 2016 to 2942 at the end of 2018 of the year.

In January-September 2019, the volume of exports textile products amounted to 1,174.9 million US dollars and increased compared to the same period in 2018 by 21.4%, reaching 8.6% of the total. In structure of textile exports, the main share is cotton yarn (56.3%), as well as ready-made knitwear and clothing (23.1%). First year, more than 384 types of textile products were exported to 56 countries, and the number of exporting enterprises amounted to more than 780 enterprises, in export activities were involved 120 new businesses. The structure of exports of textile products



Source: State Statistics Committee, RB Asia and UOIK

As a result of practical work on diversification of the textile industry country and stimulate the export of finished products the potential of our country in this area is growing. The largest share of textile exports accounts for the Russian Federation (443.0 mln. US dollars - 37.7%), China (316.7 million dollars) USA - 27.0%) and Turkey (131.2 million USD - 11.2%).

In order to increase international trade, sale of signed intergovernmental agreements and agreements reached during state visits of the President of the Republic Uzbekistan Mirziyoeva Sh.M., was approved "road map" for the intensification of relations in political, trade, economic and cultural-humanitarian spheres of Uzbekistan with Germany, USA, China, Republic of Korea, Russia, Turkey, Kazakhstan, Belarus, Kyrgyzstan, Tajikistan, Turkmenistan, etc. In order to diversify foreign markets, expanding the range of export products in this year, enterprises took part in exhibition events abroad (China, Russia, Kazakhstan, Belarus, Turkmenistan, Tajikistan, Korea, Turkey, Germany, etc.), in attended by more than 300 republican producers. Also in regions exhibitions were organized events for foreign partners, in as a result of which additional export contracts worth more than 200 million US dollars.

Attracting new investments, combined with effective management, the introduction of the most modern equipment and technologies are the most important factors in the development of the textile and clothing industry in Uzbekistan and contribute to increasing its export potential.

Over 20 years, more than 2.5 billion dollars of foreign investment has been attracted to the textile industry from South Korea, China, Russia, India, Great Britain and Germany as part of the implementation of 180 investment projects, including 575 over the past 3 years.

More than 80% of attracted foreign investments come from such countries as South Korea, Switzerland, Singapore, Great Britain, Germany, India and Turkey. Indicators of technical equipment of production capacities have increased. More than 1.6 million spinning spindles and 100,000 cameras have been commissioned, which is 89.3% of the fleet of available technological equipment.

Most of the projects will be implemented as part of the Program of Measures to Ensure Structural Transformations, Modernization and Diversification of Production for 2018-2021, developed by Uztekstilprom.

At the end of 2018, the program actually disbursed \$124.1 million, or 132% of the forecast for the year.

The program includes projects to create vertically integrated textile complexes in all regions of the country. It is also planned to modernize and expand existing production facilities with the participation of technological leaders in the field of textile machinery.

It should also be noted that over the past 10 years, the production facilities of textile enterprises have been updated by 100%. The equipment of the latest generation was installed, which helped to improve the quality of products and increase their competitiveness in the world market.

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