

Promising Directions for the Development of the National Textile Industry

Xujayev Ilhom Amanovich

Doctor of Philosophy in Economics (PhD) Tashkent State Technical University Address: 2 Universitetskaya st., 100095, Tashkent city, Republic of Uzbekistan

Abstract:

This article examines the current state of the Uzbek national textile industry, measures taken to implement the legal and legislative framework, as well as tasks set for the development of the industry. It explores promising development areas that ensure the long-term success and sustainability of the Uzbek textile industry, and highlights the importance of good practices, skills development and international cooperation. In general, it is substantiated that the effective use of the established legal framework and economic efforts allows Uzbekistan to take a leading position in the global textile market, promoting domestic economic growth and development.

Key words: textile industry, national textile industry, directions of development, international cooperation, regulatory framework, sustainable practices.

The textile industry is one of the oldest and most important sectors of global trade, combining a rich history, innovations, and significant economic importance. From ancient civilizations that first mastered the art of spinning fibers to modern factories producing millions of square meters of fabric, textiles have played a key role in shaping societies, economies, and cultures around the world. Today, the textile industry encompasses a wide range of activities, including the production of fibers, yarns, fabrics, and finished textile products, serving as the foundation for countless sectors, from fashion and clothing manufacturing to home furnishings and design applications. With complex supply chains, diverse manufacturing processes, and constantly evolving technologies, the textile industry continues to adapt and grow in response to changing consumer preferences, market dynamics, and global challenges [1-3].

The range of raw materials and products of the Uzbek textile industry is very rich and diverse. They can include cotton fiber, wool, silk, fibers made of synthetic and chemical substances, and other

types of innovative products. The production of a wide range of products from cotton raw materials, its processing is mainly based on the following stages: production of cotton fiber, kalava, gauze, knitting, ready-made sewing and knitting products [4-7].

The pace of development of the Uzbek national textile industry is also experiencing its historical stage of development. In 2017, a new stage of the development of the textile industry of Uzbekistan began. "Uztokamiliksanoati" Association was established. During the past 7 years, the total export volume amounted to more than 2 billion dollars [8].

Over the past 10 years, 3.2 bln. USD investments have been absorbed, and it is expected to attract additional foreign investments worth 2.9 billion dollars in the medium-term perspective. New textile industrial facilities were created and existing facilities were modernized. More than 150,000 additional jobs were created. Projects aimed at the production of gauzes, knitted fabrics and finished products, hosiery products, as well as the creation of modern dyeing and finishing industries are being created [9-13].

Today, there are 1,750 enterprises in the textile and sewing-knitting industry, including: 410 textile industries, 10 machine-building enterprises, 1,330 sewing and knitting industries, and 75 cotton-textile clusters¹.

In 2024, as a result of the implementation of 80 large projects in the textile and sewing-knitting industry with a total value of 1074.0 million dollars, more than 22 thousand new jobs will be created and 388.8 million. It is planned to create an additional export potential of USD 534.3 million with the participation of foreign investments and loans. It is planned to launch 47 projects worth \$. By region: 16 large textile projects are planned in Andijan region, 16 in Fergana region, 9 in Tashkent region, 8 in Namangan region, 5 in Bukhara region, 4 in the Republic of Karakalpakstan [14].

In order to ensure the implementation of the decision of the President of the Republic of Uzbekistan "On the strategy for the development of new Uzbekistan in 2022-2026", local state authorities, the Ministry of Foreign Affairs, Investments, Trade and Industry, "Uzto" 78 major investment, industry and trade projects with a total value of 730.3 million dollars were implemented by the "Kimachilik sanoat" association in 2023. As a result, more than 23,000 new jobs were created and export potential of 265.7 million dollars was created².

In recent years, the textile industry has emerged as one of the main driving sectors of the national economy and is one of the drivers of deep structural changes. According to the Decree of the President of the Republic of Uzbekistan No. PF-60 "On the Development Strategy of New Uzbekistan for 2022 - 2026", the textile industry in the purpose 22 of Annex 1, Item 3 of the Development Strategy the task of increasing the volume of production of products by 2 times is given³.

In order to [15-16] achieve the above-mentioned goal, tasks such as modernization and diversification of this industrial sector by transferring it to a new level in terms of quality, increasing the processing of local raw materials, mastering the production of radically new types of products, and increasing the competitiveness of the products produced in our country have been set. . In recent years, the textile industry has focused on improving the quality of industry products in foreign and domestic markets, increasing the product nomenclature, gradually abandoning the

¹ Otchety — Association "Uztekstilprom" (uzts.uz) Application date 08/13/2022

²<https://uzts.uz/ru/v-2024-godu-budet-realizovano-80-krupnyh-proektov-tekstilnoy-i-shvey-no-trikotajnoy-promyshlennosti-obshey-stoimostyu-10740-mln-dollarov/> (28.03.2024)

³ <https://lex.uz/docs/5841063#5844066> (01.12.2022)

production and sale of raw materials, localization of production and substitution of imports by the government. is successfully carrying out the assigned tasks.

The promising directions for regulating and developing the Uzbek national textile industry, in our opinion, are as follows:

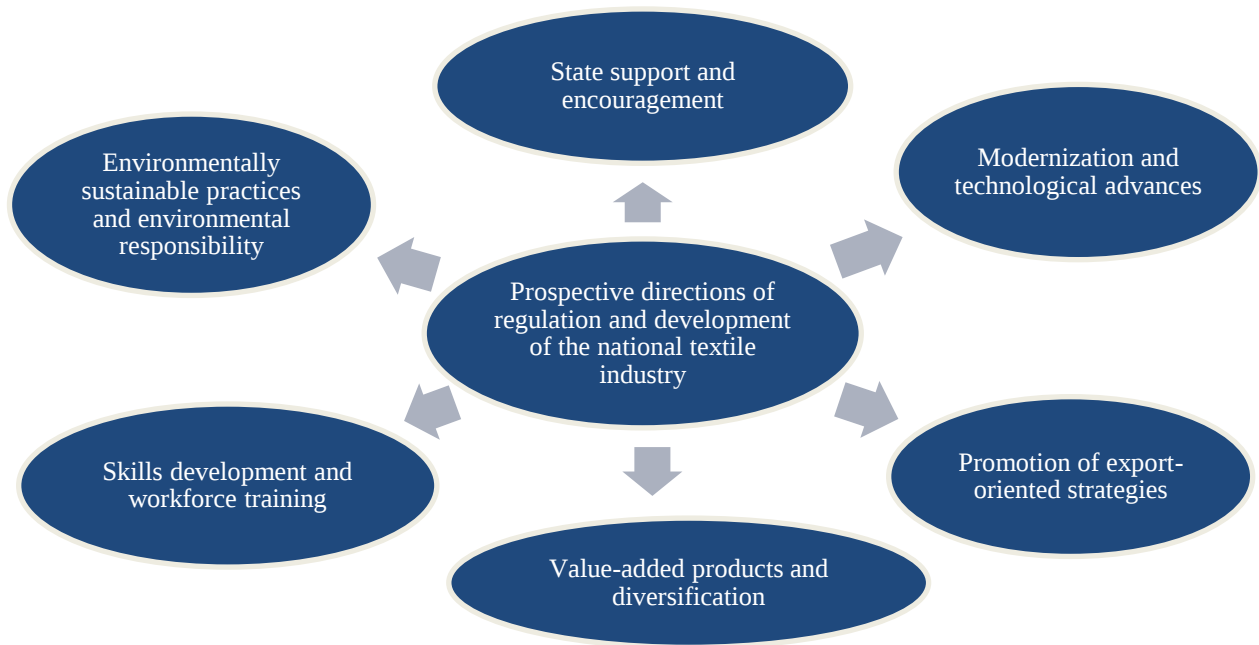


Figure 1. Prospective directions of development of the national textile industry⁴

1. State support and encouragement: Uzbekistan has been actively supporting the growth and competitiveness of the national textile industry through various incentives and policies. This includes tax credits, subsidies for technology upgrades, and financial support for research and development.

According to the Law of the Republic of Uzbekistan "On Special Economic Zones" and the Tax Code, tax incentives for textile industry subjects are:

- From customs fees for construction materials that are not produced in the Republic of Uzbekistan and are imported according to the lists approved by the Cabinet of Ministers (excluding value added tax and customs clearance fees);
- Raw materials, materials and components used for the production and export of products by the participants of special economic zones are exempted from customs duties when they are imported into the territory of the Republic of Uzbekistan (with the exception of customs clearance fees);
- According to the approved list, the alternative of technological equipment, which is not produced in the Republic of Uzbekistan, is produced taking into account customs fees (except for customs clearance fees).

These benefits are granted for a period of 3 to 10 years, depending on the investment volume, including:

- 3 million from 300 thousand US dollars. Investments up to USD - for a period of 3 years;
- 5 million from 3 million US dollars. Investments up to US dollars - for a period of 5 years;

⁴ Muallif ishlanmasi

- from 5 million to 10 million Investments up to US dollars - for a period of 7 years;
 - 10 mln. For investments of US dollars and more - for a period of 10 years⁵.
2. Modernization and technological advances: In order to increase productivity and quality in the textile industry, attention is paid to the modernization of production processes and the introduction of advanced technologies. This includes investing in state-of-the-art machinery, automation systems and digitization to streamline operations and increase efficiency.
 3. Promotion of export-oriented strategies: The textile industry of Uzbekistan, which has paid great attention to increasing exports, is exploring new markets and implementing strategies to increase sales abroad. This includes participation in international trade fairs, establishment of cooperative relations with foreign buyers and distributors, compliance with world quality standards to increase competitiveness in the world market.
 4. Value-added products and diversification: To take advantage of developing trends and consumer preferences, the textile industry of Uzbekistan is moving to the production of value-added products and diversifying its product portfolio. This includes focusing on markets, developing innovative textile solutions and sustainable practices to meet the demands of environmentally conscious consumers.
 5. Skill and Skill Development and Manpower Training: Recognizing the importance of human capital in sustaining the growth of the industry, efforts are being made to provide skill development and training programs for workers in the textile sector. . This includes partnering with educational institutions and vocational training centers to equip individuals with the necessary technical skills and knowledge needed for employment in the industry.
 6. Eco-sustainable practices and environmental responsibility: With increasing awareness of environmental issues, there is an increasing focus on promoting sustainable practices and environmentally friendly production methods in the textile industry. This includes implementing recycling initiatives to reduce water and energy consumption, minimize waste generation, and mitigate the environmental impact of textile production processes.

Overall, by focusing on these promising directions, the Uzbek national textile industry aims to establish itself as a competitive player in the global market, while also contributing to economic growth, job creation, and sustainable development in the country.

In conclusion, the Uzbek national textile industry stands at a decisive moment, poised for significant growth and development. With strategic government support, technological advancements, and an emphasis on export-oriented strategies, the industry is well-positioned to seize emerging opportunities in the global market. By modernizing production processes, producing value-added products, and supporting sustainability, the industry aims to enhance its competitiveness while contributing to economic prosperity and job creation in Uzbekistan. Continued efforts in ongoing development, skill enhancement, environmental responsibility, and innovation will be crucial for maintaining the growth momentum of Uzbekistan's textile industry on a global scale and ensuring its long-term success. Through strategic partnerships and a commitment to excellence, the industry will play a vital role in diversifying the economy and ensuring sustainable development in the country.

⁵ <https://uzts.uz/ru/investoram/investicionnyy-potencial/> Murojaat sanasi 28.03.2024

LIST OF REFERENCES

1. Elvis N. T., Cheng H., Providence B. I. Exploring the Optimistic Approaches and directives of Cameroon's textile sector for reliable development //Sustainability. – 2023. – T. 15. – №. 7. – C. 5896.
2. Addis T., Kachi A., Wang J. A review of current state and future directions of cotton production in Ethiopia //Cogent Food & Agriculture. – 2021. – T. 7. – №. 1. – C. 1880533.
3. Xo'jayev I.A. Sanoat korxonalarida ishlab chiqarish xarajatlarini kamaytirishning istiqbolli yo'nalishlari ("O'zto'qimachilik sanoat" uyushmasi korxonalari misolida). Iqt.fan.fals.dokt. dissertatsiyasi. Toshkent -2022. 146-bet.
4. Chu W. C. A. et al. Looking back to look forward: Setting future research agenda for international business in textiles and clothing industry //Journal of International Logistics and Trade. – 2019. – T. 17. – №. 1. – C. 21-32.
5. Muxtarov M. M. To'qimachilik sanoati korxonalarining iqtisodiy faoliyati samaradorligini oshirish. Iqt.fan.fals.dokt. dissertatsiyasi. Toshkent -2023. 146-bet
6. Giyasova D.R. O'zbekiston to'qimachilik korxonalari. O'quv qo'llanma. Umid.: Toshkent – 2022, 150bet.
7. Makhudjonovna M. N. National textile export capacity and effectiveness of the international market trends //TRANS Asian Journal of Marketing & Management Research (TAJMMR). – 2017. – T. 6. – №. 1. – C. 1-13.
8. Jeanger P. Juanga-Labayen, Ildefonso V. Labayen and Qiuyan Yuan. A Review on Textile Recycling Practices and Challenges// Textiles 2022, 2, 174–188.
<https://doi.org/10.3390/textiles2010010>
9. Khujayev I.A. Modern trends in the development of the global textile industry// Global textile industry development trends. Warsaw-2021.
10. O'zto'qimachilik sanoat" davlat uyushmasi rasmiy sayti <https://uzts.uz/>
11. O'zbekiston Respublikasi davlat statistika qo'mitasi rasmiy sayti <https://www.stat.uz>
12. Schwarz A. et al. A roadmap on smart textiles //Textile progress. – 2010. – T. 42. – №. 2. – C. 99-180.
13. O'zbekiston Respublikasi Adliya Vazirligi rasmiy Qonunchilik bazasi <https://lex.uz>
14. Huang Y. F. et al. Exploring the decisive barriers to achieve circular economy: Strategies for the textile innovation in Taiwan //Sustainable Production and Consumption. – 2021. – T. 27. – C. 1406-1423.
15. Milshina Y., Pavlova D., Vishnevskiy K. Forecasting the industry future through timelines and wild cards: The case of textile and apparel industry //Higher School of Economics Research Paper No. WP BRP. – 2019. – T. 105.
16. Umarova G. ASSESSMENT OF INVESTMENT ACTIVITY MANAGEMENT AT TEXTILE INDUSTRY ENTERPRISES IN THE REPUBLIC OF UZBEKISTAN //World Bulletin of Management and Law. – 2024. – T. 36. – C. 12-21.