

## MAIN DIRECTIONS OF DEVELOPMENT OF LIGHT INDUSTRY ENTERPRISES IN UZBEKISTAN IN THE CONDITIONS OF ECONOMIC GLOBALIZATION

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### ABSTRACT

The article describes and analyzes the main directions of the development of light industry enterprises in Uzbekistan, their composition, the specifics of enterprises, the strategy of introducing technologies and modern methods in the activities of enterprises. Of Uzbekistan, the structure of the country's industrial sector and its analysis in a narrow and wide range. Proposals were made on the prospects for the development of light industry in Uzbekistan, the volume of industrial production by type of economic activity, the introduction of modern methods in light industry.

**Keywords:** light industry, semi-finished products, textile industry, leather and fur industry, man-made resources, small business, private entrepreneurship.

### METHODOLOGY

#### Analysis of Literary Sources, Comparison

The light industry provides the required level of supply of products for widespread consumption. The amount of finished products must fully satisfy the needs of the population. All branches of the light industry can be conditionally divided into 3 groups. The first of them includes enterprises for the production of raw materials. The second group includes industries producing semi-finished products and semi-finished products. They work to supply light and other industries with their products. The third group includes the production of finished products. The finished goods industry specializes in the production of fabrics, shoes, clothing, carpets and other products.

They play an important role in the production of consumer goods. They have a significant impact on the entire economy of the country. Light industry has a number of features. The production facilities of the first group, specializing in the extraction of raw materials, are located near its concentration centers. Separate stages of the production cycle of the final product can take place at different enterprises. Full-cycle enterprises are rare here.

Much attention is paid to completion processes. The appearance of the product plays an important role. Therefore, appropriate requirements are imposed on the selection of personnel (for example, the presence of taste). Enterprises in this field of activity are usually small in size. They work dynamically, constantly changing their assortment. This constant change in fashion depends on the wishes of the consumers. Mostly women are employed in these areas. The final consumer is mostly natural persons. These features are taken into account in the process of organizing production cycles.

## Industrial production by type of economic activity (billion soums)

Indicators	2018	2019	2020
Industrial production volume, billion sum	235340,7	322535,8	367078,9
Manufacture of textiles	24835,2	29946,6	36230,8
Manufacture of wearing apparel	7732,2	9165,8	10212,2
Manufacture of leather and related products	1647,9	1588,8	1654,6
Manufacture of wood and foam products (except for furniture), straw and textile materials.	1600,6	1596,0	1327,4

The above table shows that the volume of industrial production in 2018 reached 235,340.7 billion soums, in 2019 - 322,535.8 billion soums and by 2020 compared to 2019 increased by 44,543.1 billion soums and amounted to 367,078.9 billion soums. The volume of textile production in 2018 amounted to 24,835.2 billion soums, in 2019 - 29,946.6 billion soums, and in 2020 - 36,230.8 billion soums.

The volume of clothing production in Uzbekistan in 2018 amounted to 7,732.2 billion soums, in 2019 - 9,165.8 billion soums, in 2020 - 10,212.2 billion soums. The volume of production of leather and leather products in 2018 amounted to 1,647.9 billion soums, in 2019 - 1,588.8 billion soums, and by 2020 - 1,654.6 billion soums.

There are great investment opportunities in our country. This is due to the presence of a large number of unused production facilities. Due to the high turnover and quick return on investment, it is profitable for investors to invest in such production. In addition, the presented industries do not require large capital investments and have other investment advantages.

Equipment installation takes several months. Consequently, in the first year of operation, such enterprises can generate income. Investors can invest temporary surplus funds in more than 30 different sectors of the economy. Many of them are very new and promising. The raw material base of light industry in our country is well developed. It fully satisfies the needs of enterprises in cotton, wool, flax, artificial yarns and fibers, leather and fur products. The raw materials are supplied by agricultural and chemical enterprises. Its price is reasonable. This allows us to produce products that are acceptable to different categories of consumers.

Doing business in this direction is promising. The main light industry sectors comprise over 30 different subsectors. They are conventionally grouped into three main groups. First, the textile industry. This group includes the production of cotton and flax. It also includes enterprises in the woolen, knitted and silk sub-branches. The enterprises of this group specialize in primary processing of raw materials, production of various types of materials.

Industries of the second group specialize in the processing of fabrics and other materials in the textile, leather, fur and other industries. This category includes enterprises with a stable assortment (production of workwear) and more complex, dynamic production (tailoring of

designer clothes). This is a very diverse group. These businesses are very diverse and have different placement principles.

The third group includes fur coats, leather and shoes. Products in this area interact closely with each other. They have no territorial specialization. Some branches of this group are present in almost all regions. However, in the textile industry, key areas of enterprise concentration can still be identified. The factors in the location of the main branches of light industry are practically indistinguishable from other spheres of activity. They often complement the national economic complex and also meet the needs of the regions.

There is no consensus on the location of production facilities on the proposed territory. However, there are three main groups of factors that influence this process. It can be placed taking into account the concentration of raw materials, consumers or labor resources. In the past, enterprises in this sector of the economy were highly dependent on the location of energy enterprises. Today, due to the availability of this source, this factor has become a secondary factor. The consumption factor influences the factories producing raw materials. Sometimes their goods are rarely transported long distances. Therefore, such enterprises are located next to raw materials processing enterprises. Also, for primary processing, they are located close to cotton growing centers, livestock farms, etc., which significantly reduces production costs and increases profitability.

Manpower is also an important factor when locating businesses. Most of these areas are women. Therefore, it is recommended to build specialized factories in areas where heavy industry enterprises are located. They mainly use male labor. This will make it possible to use the labor resources of the region as efficiently as possible. The textile industry is the largest light industry. It specializes in the production of fabrics for the population and other industries (footwear, clothing, food processing, mechanical engineering, etc.). The cotton industry is the leading industry in Uzbekistan.

The share of small business and private entrepreneurship (% of the total)

year	Gross domestic product	Industry	Construction	Employment rate	Exports	Imports
2017	63,4	41,2	64,8	78,0	22,0	53,6
2018	60,4	37,4	73,2	76,3	27,2	56,2
2019	54,2	25,8	75,8	76,2	27,0	61,6
2020	53,9	27,5	72,4	73,8	20,5	51,8

The textile industry is also an important component of the textile industry. In the textile industry, the first place in terms of gross output is occupied by wool processing enterprises. This is due to the high cost of raw materials. The value of fixed assets is high only in the cotton industry. Such enterprises produce yarns, fabrics and finished products.

The silk industry is part of the industry. They specialize in wrapping, weaving, spinning and decorating cocoons. Fabrics and yarns can be made from natural, synthetic fibers, as well as from mixtures of different types of yarn.

The clothing industry of the light industry is one of the most demanding. Here, raw material costs can be as high as 80%. The processing of fabrics, fabrics, knitwear, artificial leather and fur is carried out here. This industry recycles 4/5 of all household materials. This is a heterogeneous industry. It contains simple spheres, the scope of which does not change for a long time. They specialize in the production of workwear. More complex industries are concentrated in large cities. Their assortment is constantly changing under the influence of fashion trends.

In recent years, local garment enterprises have been cooperating with foreign companies. The high level of professional training and low wages help to attract foreign manufacturers. Local producers are improving the quality of their products. Taking into account the experience of world manufacturers, garment factories began to produce competitive products that can be supplied to the world market.

Light industry products would not be complete without leather, footwear and fur. Natural and artificial leather, fur, sheepskin, film materials are processed here. The company produces footwear, leather goods, clothing and much more.

Our country ranks 8th in the world in terms of the number of products manufactured. In recent years, this indicator has slightly decreased. The production of fur products has no analogues in the world. It is export oriented.

Leather cosmetics also play a leading role in this area. In this area of management, artificial materials are also used. The footwear industry is characterized by high material consumption and labor intensity. It is very important for this sub-industry to strengthen the resource base. Prices for imported semi-finished products and materials are constantly growing. To do this, it is necessary to produce expensive products that are not competitive on the world market.

The share of regions in the structure of the manufacturing industry of the republic, %

Industrial production volume, billion soums	Bukhara region	Samarkand region	Samarkand region	Total
Manufacture of textiles	5,5	18,1	5,6	100
Manufacture of wearing apparel	8,5	3,0	9,8	100
Manufacture of leather and related products	5,5	7,7	5,8	100
Manufacture of wood and foam products (except for furniture), straw and textile materials.	0,5	2,6	12,1	100
Industrial production volume, billion soums	2,2	3,1	1,3	100

Leather products are presented in the form of bags, gloves, handbags, as well as balls and other products. Despite the positive dynamics of production growth, the products of local enterprises account for only 20% of the total turnover. It depends on several factors. The salaries of qualified specialists are much lower. This leads to the fact that young people are losing interest in the professions of the industry. As a result, the quality of the final product will decrease and it will not be competitive even in the domestic market.

Outdated equipment accounts for over 50% of fixed assets. It has been operating for more than 10 years, which does not allow increasing the turnover and producing modern products. In developed countries, the rate of depreciation of fixed assets does not exceed 15%. Lack of investment does not allow enterprises in the industry to expand and develop new technologies. These are often small factories producing products for a small number of consumers.

There is a monopoly of light industry on practically everything important. It is very difficult for a new business to work with them. Without proper support from the state, the development of light industry in our country is very problematic. Subsidies and start-ups are needed to prevent the emergence of monopolies in all small sectors. Increased investment will help modernize equipment and production technologies. This will help local businesses enter the global marketplace and produce competitive products.

The shoe and apparel industries are at the forefront of consumers' attention. The pandemic in various countries has led to declining cotton prices, declining exports and imports, disrupted supply chains and production halts. One of the important achievements of the textile industry in recent years has been the introduction of this system of cotton-textile clusters.

Industrial production per capita (thousand soums)

	2017	2018	2019	2020
<b>The Republic of Uzbekistan</b>	<b>4594,7</b>	<b>7141,0</b>	<b>9604,9</b>	<b>10723,2</b>
Republic of Karakalpakstan	3701,4	5879,3	6759,9	7401,5
provinces:	4442,4	9033,2	10694,0	11271,1
Andijan	3458,6	4569,0	7750,3	9076,7
Bukhara	1941,2	2675,6	3354,4	3981,9
Jizzakh	3509,9	4568,0	6270,9	4406,6
Kashkadarya	13755,1	23629,7	44963,4	64763,3
Navoi	1724,8	2416,0	3169,9	3857,1
Samarkand	2507,4	3587,7	4112,3	4619,4
Surkhondarya region	947,0	1272,4	1627,7	2077,5
Syrdarya	4702,3	6274,3	8702,0	9287,7
Tashkent city	7624,6	13099,2	18315,4	21821,6
Fergana	2708,0	3728,0	5019,6	5708,0
Khorezm	2272,9	3547,3	4612,7	5009,6
Tashkent	12460,5	17397,3	20760,0	25461,8

Initially, in 2017, textile enterprises implemented a pilot cluster system in the Kyzyltepa district of the Navoi region. In 2018, the experience was popularized in other regions of the country, 15 clusters were created, and in 2019 - 75 clusters. 677.5 thousand hectares have been processed by the "cluster" method. or 66% of the area in 88 districts, a total of 2.045 million tons received (73% of the gross collection and 100% of the plan). In addition, drip irrigation systems and 311 new water pumps were installed on 9.4 thousand hectares. In addition, 12.6 thousand units of agricultural machinery and 232 high-performance cotton pickers were purchased.

Based on positive experience, in 2020 the number of cotton-textile clusters will be 96, and the area of land will be 913,017 hectares. This is 88.4% of the total cotton area in the country. For several months now, the pandemic has been actively affecting the world economy. The

pandemic in various countries has led to declining cotton prices, declining exports and imports, disrupted supply chains and production halts. This process did not restrict the textile industry of Uzbekistan.

As a result of timely measures, the activities of enterprises were restored, all jobs were saved, production and export indicators continued to grow. In addition, in strict accordance with the current quarantine rules, textile and clothing enterprises have provided the population with protective masks and workwear, increasing their daily production by more than 6 million units. They began to be exported to countries such as the United States.

In order to mitigate the negative impact of the pandemic on the textile industry, provide financial support to enterprises and preserve jobs at them, the President of the Republic of Uzbekistan was one of the first in the country to adopt a resolution. According to him, industrial enterprises have been provided with a number of benefits. In January-May of this year, the volume of industrial production amounted to 8.3 trillion soums, the growth rate compared to the same period last year amounted to 108.1%, the forecast was fulfilled by 103%. In the second half of this year, the volume of industrial production amounted to 10.2 trillion. The growth rate is expected to increase by 106.2% over the same period last year.

In order to reduce the impact of the pandemic on the economy of the republic, one of the priorities of the industry is to create new enterprises in the regions, provide employment and increase their real income.

In 2020, it is planned to implement 53 large-scale projects in the textile and clothing industry in the regions in the amount of \$ 598.4 million (including \$ 232.4 million of foreign investments and loans). As a result of the implementation of these projects, more than 13,575 jobs will be created.

Production of consumer goods per capita, tons of soums

	2017	2018	2019	2020
<b>The Republic of Uzbekistan</b>	<b>1842,9</b>	<b>2534,1</b>	<b>3285,3</b>	<b>3480,9</b>
Republic of Karakalpakstan	660,8	977,9	1262,0	1474,7
provinces:	3298,5	7036,3	8452,4	8426,7
Andijan	1676,0	1944,9	2781,6	3427,9
Bukhara	989,7	1360,6	1720,0	1856,1
Jizzakh	817,4	909,2	1201,1	1354,6
Kashkadarya	2308,0	2609,7	3281,8	3845,3
Navoi	1154,9	1517,0	2167,6	2181,0
Samarkand	1605,9	2087,6	2278,5	2984,8
Surkhondarya region	429,4	479,1	616,0	765,5
Syrdarya	1873,5	2303,0	3389,1	2958,3
Tashkent city	2033,4	2674,0	3718,6	4431,7
Fergana	1041,3	1240,5	1941,1	1967,8
Khorezm	1325,8	2145,1	3065,2	3299,7
Tashkent	5840,0	7172,2	8657,7	8371,7

As of June 1 of this year, the total cost was \$ 49.8 million. 12 objects were commissioned, 2,200 new jobs were created.

In particular, in Andijan, Andijan region, WBM Textile Group has implemented a project for the production of 5.2 million items of clothing and 1200 jobs, in the Sh. Rashidov district of Jizzakh region, 1.5 million pieces of LLC "Newland". The production of garments and knitwear was carried out and 250 jobs were created, in the Gulistan district of the Syrdarya region, LLC "Mili Guliston Textile" implemented a project for the production of 10.0 thousand tons of yarn and created 400 jobs, in the Namangan region of the Namangan region "Dosso group" LLC implemented a project for the production of 500.0 thousand pieces. Labels and created 50 jobs. During the years of independence, light industry has taken a worthy place in the macroeconomic complex of our country. Favorable conditions, benefits and preferences created, as well as a solid regulatory and legal framework allow the industry's enterprises to achieve significant results and reach new heights.

The following figures also show the importance of light industry in the development of our economy: today the share of industry in GDP is 3.8%, industrial production - 26.2%, non-food consumer goods - over 44%.

More than \$ 2.2 billion has been invested in the industry, more than 180 large investment projects have been implemented. Today the industry employs over 70,000 people. The Indorama Kokand Textile joint venture, created on the basis of the Kokand Textile Mill, is one of the most important projects. The project, with a production capacity of 29,000 tons of yarn per year, will cost \$ 110 million. One of the large-scale projects in the Khorezm region is an enterprise created by the Uztex group of enterprises in cooperation with Swiss Capital (Switzerland), with a total value of over 50 million and a production capacity of 12 thousand tons of yarn per year.

The introduction of high-performance modern technologies into the industry will increase export volumes. For example, over the years of independence, this figure has increased 120 times and reached \$ 1 billion in 2019. However, in 1991 that figure was only \$ 7 million. Today, light industry products manufactured in our country are exported to 50 countries of the world.

The volume of key indicators of small business and private entrepreneurship in the sectors of the economy

Year	Industry (billion soums)	Construction (billion soums)	Services (billion soums)
2017	61367,8	22469,4	69212,7
2018	87962,0	37451,7	84433,4
2019	83 344,2	53960,9	103106,6
2020	100796,9	63614,9	112743,5

On the eve of the 30th anniversary of independence, Uzbekyengilsanoat is scheduled to launch 18 enterprises worth \$ 99 million and export potential of \$ 43.1 million. More than a thousand jobs will be created at these enterprises. At the end of 2018, 770 thousand pieces of clothing were sold, in 2019 this figure was 835 thousand, and in 2020 - 935.4 thousand. This year it is planned to sell 985 thousand school and sportswear.

Every industrial enterprise should strive to use its fixed assets as efficiently as possible. This is due not only to an increase in production and sales of finished products, a decrease in relative costs, an increase in profits due to an improved use of funds, but also with the consolidation of the company's fixed assets in the past.

The main directions for improving the use of fixed assets of industrial enterprises are:

- Reduce and prevent equipment downtime during a shift;
- Increase in the equipment replacement rate;
- Timely and high-quality implementation of repair and preventive measures;
- Training of equipment operators;
- Improving the organization of production and supply of resources, etc.

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