



GOALS AND PROSPECTS OF IMPROVING THE CARPET INDUSTRY IN UZBEKISTAN

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ABSTRACT

The article examines the activities of carpet manufacturing enterprises, the most promising segment of the textile industry in Uzbekistan, analyzes the competitive environment of participants in the local carpet market, and analyzes the principles of a scientific approach to marketing.

KEYWORDS: Enterprise, industry, carpet, market, cluster, model, modernization, strategy.

The carpet industry is an industry that produces various carpets made from natural (animal and vegetable fibers) and synthetic fibers. Carpet weaving as a field of artistic craft in different countries has developed in a unique way. The textile industry plays an important role in the development of the economy, providing the population with clothing, household goods and industrial goods. It is no secret that the textile industry closely cooperates with agriculture and other industries. Carpet production is one of the most important branches of the textile industry.

According to research by IndexBox, a world-renowned market research firm, the United States is the world's largest carpet-producing country, producing about 1.1 billion square feet of finished products per year. The country's share in global carpet production in 2016 was 28 percent. China (12%), Turkey (12%), Egypt (7%), Canada (6%), Belgium (5%), India (5%) and the Netherlands (4%) are the next largest carpet producing countries. in the world.

In 2016, the United States accounted for 34% of global carpet and carpet consumption. Other countries around the world, including Egypt (8%), Canada (7%), China (7%), the United Kingdom (5%), Australia, Turkey, Indonesia and Japan (3% each), India and Iran (2% each) are the leading consumers of carpet products. Carpet products account for 23% of global consumption in the rest of the world.



The President of our country attaches great importance to the development of the textile industry in the country. It is especially important to process domestically grown cotton fiber and enter the world market with high-quality textile products.

Ensuring high and stable growth rates of the textile and clothing industry of the republic, attracting and absorbing foreign direct investment, producing and exporting competitive products, creating new high-tech jobs through the implementation of strategically important modernization projects, systematic work is underway. In order to further deepen the process, a structural reorganization of enterprises is being carried out, aimed at technical and technological modernization, and the introduction of an advanced "cluster model". For example, the President of the Republic of Uzbekistan "Cabinet of Ministers Resolution No. PQ-4186 of February 123, 2019 "On measures to further deepen the reform of the textile and clothing industry and expand its export potential", Resolution of the Cabinet of Ministers No. 230 "On measures to further develop the cotton and textile industry".

In the Concept of accelerated development of the textile and clothing industry for 2019-2025, approved by the Cabinet of Ministers of the Republic of Uzbekistan:

processing of raw materials based on an integrated approach, production and export of finished products, including expansion and support of production cooperation, research of domestic and foreign markets for textile products;

implementation of measures to ensure the competitiveness of products in the domestic and foreign markets, creation of a single value chain;

By 2025, it is planned to increase the volume of textile exports to 7 billion US dollars by processing the entire volume of cotton yarn produced in the country.

In recent years, the textile and clothing industry has undergone major changes. One of the main factors was the wide range of opportunities created by the Government for entrepreneurs, the improvement of the investment climate and the policy of entering foreign markets, as well as the Development Strategy developed by the Uztextile Industry Association and enterprises.

Currently, the Uztextile industry association includes more than 70 large textile and clothing enterprises. Currently, the total number of enterprises in the country is more than 7 thousand. The industry has undergone dramatic changes in recent years, with \$ 3.2 billion



in foreign investment, exports reaching \$ 2.1 billion, and more than 360,000 people working in the industry. Textile enterprises have been established in all regions of the country and have become one of the drivers of the economy.

In particular, we clearly see positive changes in the activities of carpet enterprises in Uzbekistan. According to the State Statistics Committee of Uzbekistan, the carpet industry has made great progress in recent years (Table 1).

Table 1

Export-import volumes of carpet products in Uzbekistan in 2016-2019, Million US dollars.

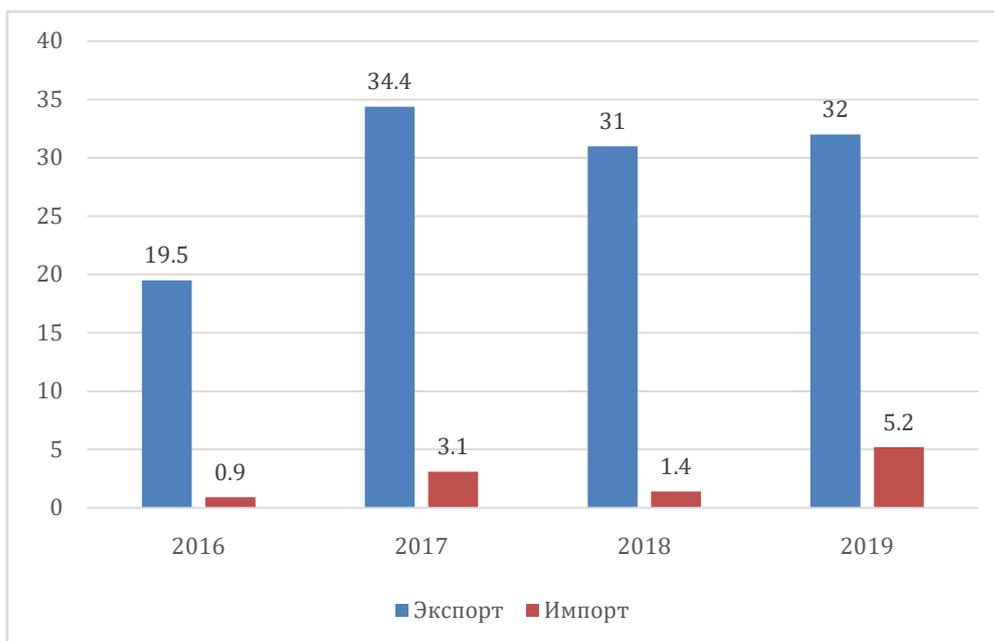


Figure 1.3. Dynamics of carpet export and import in the Republic of Uzbekistan in 2016-2019

It can be seen that the export of carpet products is much higher than the import, that is, several times more. At the same time, a sharp increase in carpet imports in 2019 indicates increased competition in the international market, and the carpet market of Uzbekistan will become an object of interest for foreign companies.

In 2021, the textile industry is going through difficult times. As a new vector for the development of the textile industry, cotton and textile clusters were created, which fully covered the production chain from cotton to finished products. It was through clusters that



water conservation and drip irrigation systems, eco-cotton cultivation and certification were widely implemented.

An Uzbek-Korean Textile Technology Park was established at the expense of the Government of the Republic of Korea to accelerate reforms and train personnel. This technopark is aimed at training technologists and creating new types of products using new intelligent technologies.

In order to improve the quality of products and their purchases in foreign markets, the German Society for Foreign Cooperation has launched a program to bring textiles to the European market and a fashion incubator. This, in turn, requires the EU to provide Uzbekistan with a GSP + system of preferences and implement international standards at enterprises, which is an important factor in the sharp increase in exports. And within the framework of this program, the Dutch Control Union certification company does a lot of work in cooperation with the Association.

In particular, in January-March of this year, the association's member enterprises used 252 thousand tons of cotton fiber.

The volume of industrial production amounted to 7.5 trillion rubles. Sumov (growth rate - 122.5%).

Including,

- 169.4 thousand rubles. Tons of yarn (growth rate - 106.9 percent);
- cotton fabric of 118.7 million square meters (127.2 percent);
- knitted fabrics of 39.4 thousand tons (124.7 percent);
- Knitwear 112.6 million pieces (110.6 percent);
- 63.5 million pairs of socks (116.5 percent);
- sewing products amounted to 120.2 billion soums (109.3%).

As part of the localization program, products worth 141.8 billion soums were produced. The cost of the product is 30.4 billion soums. soums.

Under the investment program, US \$ 54.2 million (186.2% of the plan) was invested in 21 projects, including US \$ 49.2 million (10 projects, 244.3% of the plan for the reporting period).

According to the results of the 1st quarter of 2021, textile exports amounted to \$ 648.1 million (29% of the country's exports), which is 143.5% more than in the previous year



(\$452 million in the 1st quarter of 2020). Of these, the volume of exports in March amounted to \$ 243.5 million, an increase of 123.6% compared to January and 117.6% compared to February (in January-February they amounted to \$ 197 and \$ 207 million, respectively).

Today, new capacities for the production of textiles and clothing are being created in almost all regions of the country, including remote and popular areas. The construction of sewing and knitting complexes, especially to provide employment for women, will provide them with permanent work in densely populated areas.

First of all, these projects will make it possible to fully process cotton fiber grown in the regions locally, produce products with high added value and increase the real incomes of the region's population.

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56.1% of the total volume of textiles and knitwear produced in the country is exported, while the rest goes to the domestic market.

In the structure of exported products, 54.1% (\$350.7 million), fabrics 4.7% (\$30.2 million), knitwear 8.4% (\$54.4 million), clothing 31.1% (\$201.4 million), hosiery 1.7% (\$11.2 million).

Products were exported to 55 countries (50 in 2020), including Russia-33.8% (\$214 million), China-25.5% (\$165.6 million), Kyrgyzstan - 13.1% (\$84.7 million), Turkey. - 11.3 (73.6 million rubles). United States dollars. US\$) of the main partner countries. The share of these countries in the total export volume was 83% (\$537.9 billion).

The number of entities exporting products totaled 831, an increase of 108% or 58 (in 2020 - 773).

GSP + system of preferences - new perspectives and new milestones. By the end of 2020, 102 enterprises exported \$ 74.1 million worth of textiles to EU countries, which is 136.4% more than in the previous year (compared to \$ 53.3 million in 2019).



According to the results of the 1st quarter of 2021, 71 business entities exported textile products worth \$ 27.5 million.

In the structure of exported products, yarn is 49.1% (US \$ 13.5 million), fabric is 21.9% (US \$ 6 million), knitwear is 16.7% (US \$ 4.6 million), clothing is 11% (US \$ 2.9 million), hosiery is 1.3% (US \$ 0.3 million).

Products were exported to 16 EU countries, the main partner countries were Poland - 56% (\$15.4 million), Italy-19.1% (\$5.3 million), Germany - 7.3% (\$2.0 million). The share of these countries in the total export volume was 82.3% (\$22.7 million).

These data require an in-depth study of the activities of carpet manufacturing enterprises, the most promising segment of the textile industry in Uzbekistan, analysis of the competitive environment of local carpet market participants, and principles of a scientific approach to marketing.

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