

Increasing the Export Potential of the Cotton and Textile Industry

Khalikov Tolibjon Luptullayevich

Assistant of the department "Accounting and audit in other industries" of the Samarkand Institute of Economics and Service

ABSTRACT: This article discusses the cotton and textile industry, which is one of the most important sectors of the domestic economy, acts as a locomotive for the development of regions, the creation of production facilities in rural areas, employment of the population, as well as an increase in exports. Therefore, at the initiative of the head of our state, at the new stage of reforms, the cotton-textile front was radically updated and a cluster system was introduced.

KEYWORD: agriculture and industry, cotton-textile cluster, raw material processing, cotton export, cotton-textile industry.

Introduction. It should be noted that this innovative method, combining agriculture and industry, quickly justified itself. As the production of important industrial raw materials increased and their quality improved, complete processing of the fiber within the country was achieved. At the same time, 134 clusters operating in the system of the Association of Cotton and Textile Clusters of Uzbekistan became the main force. Currently, the clusters are actively engaged in the cultivation, harvesting, primary and deep processing of raw cotton, and the export of cotton.

Indeed, on the basis of the cluster method, about 350 large plants were put into operation. As a result, the yarn recycling rate has been increased by up to 45 percent. This figure is expected to reach 100 percent in the near future. Because the head of our state set the task for the clusters to export finished products with added value, and not semi-finished products. The aforementioned presidential decree will certainly serve as an important guide to action to achieve this goal.

Literature review.

The scientific foundations for the effective development of agriculture based on cooperation and integration were laid in the fundamental works of A. N. Engelgardt, N. D. Kondratiev, A. V. Sovetov, I. Ya. Stebut, A. V. Chayanov. In the middle of the last century, well-known economists K. P. Obolensky, A. A. Nikonov, V. A. Tikhonov, S. S. Sergeev and a number of other authors devoted their research to the development of theoretical, methodological and methodological aspects of increasing efficiency and improving intersectoral relations in the agro-industrial complex. A significant contribution to the development of the modern theory of increasing efficiency was made by well-known economists from Russia, Kazakhstan and other CIS countries: A. I. Altukhov, I. N. Buzdalov, V. A. Dobrynin, V. V. Miloserdov, A. F. Serkov, I. G. Ushachev, A. A. Shutkov, A. V. Petrakov, G. A. Kaliev, T. I. Espolov, A. B. Moldashev, A. A. Satybaldin, etc.

However, despite a significant number of publications on the problem under consideration, many of its aspects in the market conditions remain the subject of heated discussions and need to be further developed. Most scientific works are limited to research on the problems of improving the efficiency of individual related industries and economic entities of the agro-industrial complex, the issues of the impact of institutional changes on the formation of an effective system of production, processing and marketing of agricultural products as a single organizational, economic and technological process of producing the final product are poorly disclosed. Further research is needed on the mechanisms for integrating rural producers with processing and service enterprises, the implementation of effective measures of state regulation of the agro-industrial complex in order to increase the efficiency and competitiveness of the agricultural sector and its most important industries.

Results and analysis.

Despite increased competition in the global textile market, the demand for Uzbek products is growing. The fact is that our products attract customers with their naturalness, high quality and reasonable price. In 2022, textile and garment-knitwear products worth \$3 billion 229.2 million were exported, the growth rate increased by 10.2 percent compared to the previous year.

It is gratifying that the share of finished products in exports amounted to 41.5 percent. This means an increase of 44 percent compared to 2021. An important factor in achieving such a positive result was the increase in the number of exporting enterprises, the number of which has now reached 1503.

Today, our textile products are mainly imported to the Commonwealth countries, Turkey and China, but the number of our partners will expand at the expense of European countries. Because after the cancellation of the global boycott of Uzbek cotton, the countries of the “ancient continent”, as well as international brands, having established trade and investment relations in this direction, began to place their orders in Uzbekistan.

As the head of our state noted, cotton-textile clusters have become drivers in every district. Therefore, this year it is expected to expand the geography of exports and increase the volume of exports of textile products up to \$5 billion. Benefits and preferences provided to cotton textile clusters and their textile factories in accordance with the presidential decree will become a stimulating factor in fulfilling foreign orders and increasing export volumes.

To overcome competition in world markets, foreign producers are trying to reduce costs through the production of mixed types of products. This gives the expected results. At the initiative of the President, further benefits are provided to support clusters and other manufacturing enterprises in such difficult conditions. This is based on the goal of increasing the production of finished textile products with high added value by 2.1 times and exports by 2.6 times in the next five years, in a word, to bring the cotton textile industry to a new stage.

After all, this year alone, it is expected to increase the level of utilization of sewing and knitting industries from 65 to 81 percent, filling the main part of 35 thousand vacancies at the expense of representatives of the population included in the lists of social notebooks, and ultimately increasing the volume of exports by almost 2 times.

There are enough opportunities to conquer this milestone. Most importantly, concrete measures are being taken to accomplish the task. That is, cotton-textile clusters will attract \$225.6 million in investments, 331 major projects will be implemented. As a result, it is planned to create 32,100 new jobs.

The main goal of the head of our country to introduce cotton-textile clusters is to create a five-stage production chain for processing cotton and enter the world market with finished textile products. Therefore, in accordance with the resolution, the financial support provided for the mobilization of existing

opportunities and new reserves in the textile and clothing and knitwear industry will fill the work of the cluster in this direction with new meaning and content.

The fact is that to provide exporting enterprises with working capital, 200 million dollars are allocated for a period of 3 years at a rate of 4 percent per annum, including a revolving loan.

At the same time, commercial banks, on the basis of their applications, open credit lines for projects for the production of fabrics, carpets, finished garments and knitwear, dyeing and finishing in the amount of 100 million US dollars for a period of 10 years with a three-year grace period at a rate of 4 percent per annum, for the rest of the period - at a rate of 5 percent per annum.

Moreover, to finance pre-export and export trade operations, based on the volume of exports carried out over the past 12 months, considerable financial resources are allocated for up to 3 years. Half of the costs of implementing financial reporting based on international standards will also be covered.

Conclusion.

In accordance with the decree, the expenses for the participation of representatives of well-known brands in exhibitions and fairs held annually in the republic will be covered at the expense of the Export Support Fund.

It is expedient for domestic producers to establish representative offices of at least three large foreign companies that will issue international certificates for the products of local enterprises.

Another innovation. Textile and clothing and knitwear enterprises were allowed to transfer funds abroad in the amount of up to 100 thousand dollars a year without separate decisions to create trading houses and shops abroad.

In 4 regions of our republic - Andijan, Namangan, Kashkadarya and Tashkent regions, small industrial zones specializing in the production of textiles will be created. Their launch is planned before the end of this year. To this end, the Ministry of Energy, Regional Electric Networks, "Khududgaztaminot", "Uzsuvtaminot" joint stock companies have been tasked with ensuring the creation of communications in small industrial zones for supplying electricity, natural gas, sewage disposal, centralized water treatment facilities and other infrastructure.

At the same time, small industrial zones specializing in textiles will be created on the basis of empty cotton terminals, which are on the balance sheet of the former "Uzpakhtasanoat" JSC, some buildings and structures will be used as warehouses for imported raw materials.

Cotton farms cooperating with clusters are also provided with incentives. In particular, no penalty will be applied for late payment of value added tax assessed to farms for the 2022 harvest.

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