

# Efficiency to Ensure Competitiveness through Light Industry Clustering

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## ABSTRACT

The article discusses the issues of improving the economic capacity of light industry enterprises at the current stage of economic reforms, including continuous monitoring of the level of economic potential of enterprises, accelerating the turnover of receivables and developing a strategy for modernization of enterprises.

**KEYWORDS:** *economic reforms, light industry enterprises, monitoring, receivables, modernization, strategy*

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## INTRODUCTION

At the current stage of rapid economic reforms in Uzbekistan, it is important to improve the mechanisms for increasing the economic potential of light industry enterprises, including the constant monitoring of the level of economic potential of enterprises, accelerating the turnover of receivables and developing a strategy for modernization.

## LITERATURE ANALYSIS AND METHODOLOGY

This aspect is of particular importance in the priorities identified in the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021, adopted on the initiative of President Shavkat Mirziyoyev in order to increase the competitiveness of the country's economy. The scale of achievements in the primary processing industry has been expanding in recent years as a result of modernization in the industry.

## DISCUSSION

Competition as an economic category is the most important feature of a market economy and the commodity economy in general, a means of its development, one of the main components of the

market mechanism. A market economy requires the existence of competition regardless of its level of maturity and development characteristics. At the same time, as the market economy develops, competitive relations will also improve and change their forms.

A small level of integration is the formation of a new management system in the economy of the country, the creation of "clusters" that include enterprises and organizations that produce the final product and are geographically close. In developed countries, there is some experience in the use of clusters in the formation and management of innovative economies.

The purpose of forming clusters is to focus on the creation of competitive goods in the organization of innovative production of enterprises of the same industry located in the city, district and region and the organization of educational, scientific, engineering, consulting, standardization, certification and other services in a single technological chain.

Cluster structures operate successfully in the light industry of Switzerland, Austria, Italy, Denmark,

India, Korea, Pakistan, China, and Turkey, in the chemical and mechanical industries in Germany, and in the food and cosmetics industries in France, Japan, and other countries.

The Resolution of the President of the Republic of Uzbekistan No. PQ2687 dated December 21, 2016 "On the Program of measures for the development of the textile and garment industry for 2017-2021" was adopted in order to fully reveal the existing opportunities in the field, rational and effective use of potential.

The Cotton-Textile Cluster is a huge project, one of the conditions for economic development. Getting acquainted with it, a deeper understanding of its essence is important not only for industry professionals, economists, but also for the general public. Our cotton fully meets international standards with its color, fiber length, toughness and micronaire performance.

The cotton-textile cluster covers not only light industry, but also dozens of industries, such as agriculture, food industry, pharmaceuticals, construction products. The need to find effective ways to produce raw cotton is further explained by the fact that a comparison of some indicators of agriculture in Uzbekistan and developed countries, which did not fully use the potential of land productivity in Uzbekistan, confirms this.

The investment and modern technologies involved in the industry will increase the quality of products, ensure their competitiveness, and increase export potential. Replenishment of the domestic market with domestically produced organic food products is one of the most important directions in the development of the Uzbek economy.

Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated January 26, 2018 No 53 "On measures to introduce modern forms of organization of cotton and textile production." In order to establish market relations between farms, other agricultural producers and textile enterprises, to ensure the production of competitive high-value-added products based on the introduction of modern forms of organization of cotton and textile production, textile enterprises, as well as the Ministers of the Republic of Karakalpakstan Taking into account the testing of the Council and regional khokimiyats in the framework of the 2018 harvest of raw cotton, it is planned to organize 13 cotton and textile production in the relevant regions. It was noted that the organization of this production is based on the conclusion of a direct contract between the

enterprises of the textile industry and farms for the production and supply of raw cotton.

The resolution stipulates that the organizers of cotton and textile production will promote the efficient and rational use of land, water and other resources, increase productivity and timely collection of raw cotton, as well as its deep processing and production of high value-added products. provides reproduction;

The conditions and procedures provided for farms for the purchase of agricultural machinery on a lease basis, the supply of mineral fertilizers, seeds, fuels and lubricants, chemical plant protection products and other material resources are applied to the organizers of cotton and textile production; - Cotton fiber produced for its own needs in the framework of cotton and textile production is certified on a voluntary basis;

volumes of cotton fiber produced in excess of the needs of its own production capacity are sold by the organizers of cotton and textile production to other local consumers through direct contracts or exchange trades;

cottonseed by the organizer of cotton-textile production on the basis of return of the product to oil companies, on the condition of subsequent sale of oil products through exchange trades, and processed seed waste (shrot, sheluxa) in the first place under direct contracts, farmer sold to farms as well as other local consumers;

additional products (lint, dead cotton, etc.) are sold by the organizer of cotton-textile production to local consumers through exchange trades;

The price of raw cotton purchased by the organizer of cotton-textile production is determined on a contractual basis based on the costs formed on the basis of agro-technological maps, taking into account the profitability of farms and not lower than the prices set for state needs.

Loans to the organizers of cotton and textile production are allocated from the Fund at an interest rate of not more than 3% per annum and on the terms provided for the financing of farms selling raw cotton under the state order;

It is also stipulated that the return of the primary processing of raw cotton will be carried out at the ginnery or at the ginnery of the organizers of cotton-textile production or at the ginnery leased by them. In order to increase the efficiency of their operation on the basis of assessing the technical and financial condition of ginneries and ginneries located in the territory of cotton and textile production, the resolution provides for their lease to the organizers of

cotton and textile production, "zero" purchase in installments or under investment obligations. sale at cost or use of capacity on the condition of return of the product.

## CONCLUSION

The organizers of the cotton and textile production have also established benefits for their own needs, which will be exempt from customs duties until January 1, 2020. It should be noted that on the basis of this decision, a large-scale work is being carried out in this process. Most importantly, the experience of the "cluster", which began in Bukhara, Syrdarya and Navoi regions, is spreading across the country. In particular, in Samarkand, Tashkent, Surkhandarya, Jizzakh, Kashkadarya and other regions, the construction of production facilities in the "cluster" system has begun.

At the current stage of development of our country, we can achieve new achievements in the development of our country and increase the welfare of our people through the implementation of projects to expand the activities of cotton and textile clusters.

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