



SEQUENCE OF ASSESSING THE COMPETITIVENESS AND MEASURES TO INCREASE COMPETITIVENESS OF UZBEK TEXTILE INDUSTRY

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Abstract: *In conditions of increasing competition, the task of maintaining and increasing its own competitiveness comes to the fore for each enterprise. An increasing number of enterprises are focused on achieving victory in competition and achieves its goals as a result of the constant efforts of management in implementing an effective competitive development strategy.*

Key words: *textile industry, brand creation, innovation, market, consumer.*

Introduction

In the context of modern global economic crises, the issue of developing competitiveness becomes especially important, since the external environment is becoming more and more changeable, and methods for assessing competitiveness and developing strategies to maintain resistance to competition remain underdeveloped. From a practical point of view, the problem of managing competitiveness is relevant, since enterprise managers often do not master modern assessment methods and mechanisms for forming strategies that ensure competitive stability.

The competitiveness of an industry can be defined as the ability of enterprises operating in this industry to compete with real and potential rivals for consumers in the industry market at a certain point in time due to certain properties of the goods and services produced, the conditions for the reproduction of the main production factors and the use of other controllable factors. Industry competitiveness is a relative characteristic that reflects the main differences between industries in terms of the level of satisfaction of public needs with their goods or services, as well as in the efficiency of the production process.

An important component of the industry's competitiveness is its ability to adapt to changing competitive conditions in both the domestic and foreign markets. This difference is due to temporary factors, since economic processes are constantly changing, and industries must be prepared for such changes in order to maintain their competitiveness.

Studying the competitiveness of an industry should take no less time than it takes to form a new product on the market. The system of factors influencing competitiveness can be controlled by the manufacturer and includes internal and external aspects. Internal factors include the competitive advantages of the industry, while external factors refer to the socio-economic parameters of the environment that are not directly influenced by the industry.

Competitive advantages can be divided into two groups. The first group includes advantages that are formed at the level of individual enterprises in the industry. The second group includes advantages that are formed at the level of the economy as a whole: "industry competitive advantages." Industry advantages are advantages available to all enterprises in the industry, determined by industry specifics, production factors, demand parameters and the development of industry infrastructure.

The peculiarity of industry advantages is that they are difficult to create at the level of an individual enterprise, but can be used to strengthen competitive positions and increase profitability.

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Industry competitive advantages provide enterprises with certain opportunities, but not everyone can use them equally successfully due to the characteristics of the internal environment. All industry participants are interested in the formation of industry advantages, since they contribute to increasing profitability and, therefore, competitiveness. Strengthening key advantages does not reduce competition in the industry market, but takes it to a new qualitative level and allows the use of more advanced sources of advantages.

Review of literature sources

In his work “An Inquiry into the Wealth of Nations,” Adam Smith first tried to define competition. According to him, competition arises at a time when supply is reduced and prices begin to rise. If supply exceeds demand, prices fall, increasing competition between sellers. Smith defined competition as fair competition between sellers in a market economy where prices are regulated by market forces. He also believed that competition is the process of struggle between competitors for relative advantage in the long term, and that it is the driving force of the market.

A variant of the behavioral theory of competition, created by the English economist A. Marshall, associates competition with the struggle for limited economic resources and for consumer attention. This approach is based on the idea that most goods and services are rare and their quantity is less than the need for them. As a result, resource owners can distribute them at their discretion, guided by their interests. They set conditions and criteria (price level, quality, etc.), and depending on the fulfillment of these conditions, they decide to whom to provide resources and to whom not.

Marshall argued that he allowed the free action of the forces of supply and demand, the absence of strong associations of sellers and buyers, the autonomy of each participant and free competition. He emphasizes that although everyone acts independently, he is expected to be aware of the actions of others so as not to agree to sell low or buy high as everyone else does.

Methodological aspects

Assessing the level of competitiveness of a company is the process of calculating, analyzing and evaluating indicators that characterize the company’s activities. In addition, such an assessment makes it possible to attract investors and partners to conclude transactions, as well as propose to government agencies certain measures to increase the competitiveness of companies in the processing industry. This process must be continuous and cyclical.

When creating a generalized indicator, the problem of combining partial indicators into a single assessment may arise. As a measure, you can use the weighted sum of these partial indicators.

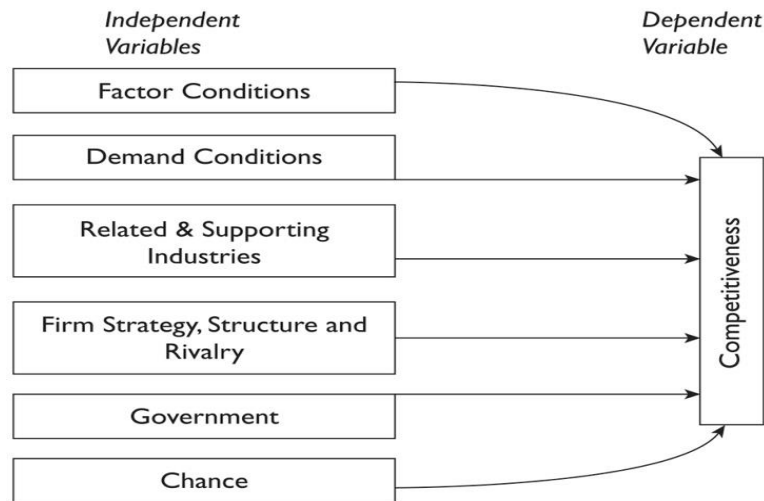
In practice, basic indicators are used to calculate single competitiveness indices or convert them into relative values. These basic indicators could be:

- expert opinion;
- industry averages;
- performance of a competing or market leading company;
- indicators of the analyzed company for past periods.

Thus, an analysis of existing assessment methods allows us to conclude that for the assessment of light industry enterprises, the preferred method is based on determining a complex integral index. Its advantage is that the competitiveness index is calculated on the basis of private indices that reflect individual aspects, which can be the indicators of interest to us. The table shows that a large number of external and internal parameters affect the competitiveness of the organization.

Figure 1. Variables affecting competitiveness

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Analysis and results

Thanks to the introduction of modern technologies in the textile industry, product exports have increased 120 times. In 2015, exports amounted to US\$1 billion, up from US\$7 million in 1991. Today, textile enterprises export their products to 45 countries and are constantly expanding their sales geography.

The production capacity of the textile industry is: 450 thousand tons of yarn, 296 million square meters of fabric, 90 thousand tons of knitted fabric and 270.2 million pieces of knitted products per year.

Priority areas of activity are the further development of textile production, production of ready-made clothing and the creation of new production of artificial and synthetic fibers together with Uzkimyosanoat.

Increasing the competitiveness of the economy is achieved through structural transformations, modernization and diversification of industry. This creates the preconditions for satisfying consumer needs, gaining a larger market share and expanding market horizons.

According to the study, the volume of industrial production in the country in 2021 amounted to 580.2 trillion soums. The growth compared to the previous year was 137%. This is due to the development of textile and industrial clusters. The growth of industrial production is achieved through diversification and modernization of production processes. In recent years, comprehensive measures have been implemented to develop the textile, clothing, leather and fur industries, as well as to increase the range and quality of products, and support the investment and export activity of industry enterprises.

The textile industry of Uzbekistan has undergone significant changes over the past ten years. Uzbekistan stopped exporting raw cotton and began exporting threads and finished materials, which cost more than raw cotton. Focusing on the export of finished textile products will allow the country to generate greater profits and create new jobs.

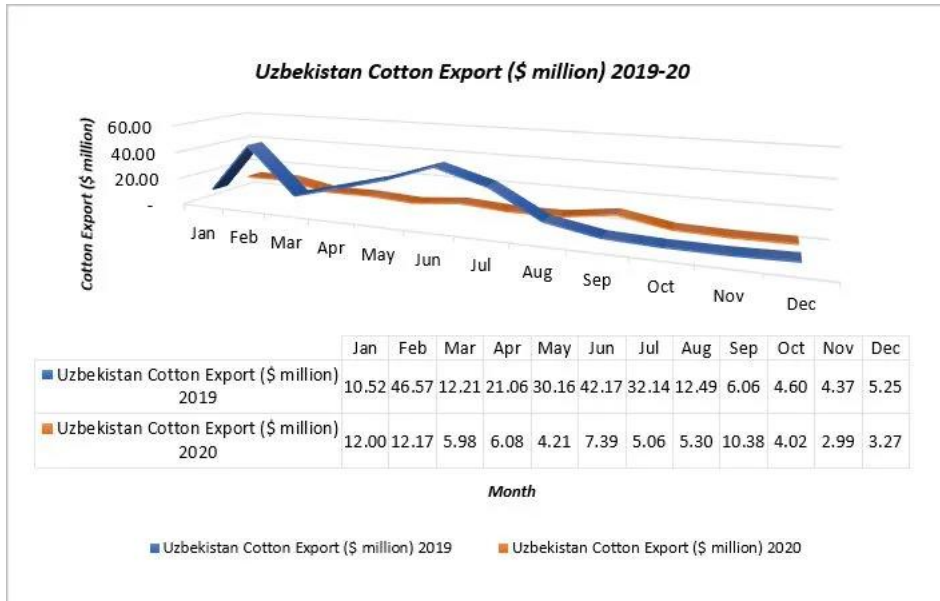


Figure 2. Uzbekistan cotton export shows sharp decline in 2020: TexPro

Uzbekistan plans to ban the export of unprocessed cotton to encourage companies to invest in the production of finished and semi-finished products with high added value, such as textiles and fashion clothing. Government investment and support for the cotton industry has encouraged foreign and local companies to implement more integrated supply chains.

The textile industry of Uzbekistan has significant competitive advantages in the world market due to its rich history of textile production, availability of quality raw materials, highly qualified workforce, government support and favorable conditions for investment.

Firstly, Uzbekistan has a rich history of textile production, which dates back to ancient times. Traditional Uzbek patterns, colors and patterns attract the attention of consumers from all over the world. Thanks to this historical heritage, textile products from Uzbekistan are popular and in demand on the world market.

Secondly, Uzbekistan is a large producer of high quality cotton. Uzbekistan's cotton is considered one of the best in the world due to its specific climatic conditions and modern agricultural technologies. This gives Uzbek textile enterprises a competitive advantage in the production of high quality textile products.

Thirdly, Uzbekistan has a highly qualified workforce in the textile industry. Many Uzbek textile enterprises train their employees in modern technologies and production methods, which allows them to be competitive and quickly respond to changes in market needs.

In addition, the government of Uzbekistan actively supports the development of the country's textile industry. Thanks to various support measures, such as soft loans, tax breaks, infrastructure projects



and the organization of exhibitions and fairs, Uzbek textile enterprises receive additional incentives for the development and growth of production.

It should be noted that Uzbekistan has a geographical advantage as a strategic transport hub between Europe and Asia. This provides convenient access to major markets and the ability to quickly deliver goods around the world, which makes Uzbek textile products competitive in terms of delivery speed and customer service.

In addition, Uzbekistan is seeking to attract foreign investment in the textile industry. In recent years, large-scale investment projects have been implemented in the country with the participation of foreign companies, which makes it possible to modernize production, introduce new technologies and increase the competitiveness of Uzbek textile enterprises in the world market.

In conclusion, the competitive advantages of the textile industry of Uzbekistan are determined by its rich history, availability of quality raw materials, highly qualified workforce, government support, geographical location and the desire for modernization through attracting foreign investment. All this makes Uzbek textile products attractive to consumers and competitive in the world market.

Conclusion

The textile industry plays a key role in the economy of Uzbekistan, creates jobs, generates income for the state and contributes to the development of related industries and regions. To remain competitive in the global market, the sector must constantly evolve, adapt to new technologies and meet consumer demands.

The new strategy for the period until 2025 assumes that Uzbekistan will stop exporting unprocessed cotton and will process all cotton domestically. This will help increase income from cotton processing, reduce dependence on commodity exports and modernize enterprises with new technologies to improve product quality and reduce production costs.

The strategy also provides for the development of infrastructure and logistics capabilities for manufacturers’ access to markets, increased investment in education and training of specialists for the textile industry and expanded cooperation with foreign partners.

The textile industry of Uzbekistan has great potential for development. The use of new technologies, improving the quality of goods, optimizing production processes and training staff are all key areas for achieving success.

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