

USE OF MAIN PRODUCTION FACILITIES AND ECONOMIC ACTIVITIES OF
FOREIGN TEXTILE ENTERPRISE

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Abstract: *In our country, great importance is attached to the modernization, diversification and rapid development of the textile industry. The textile industry is one of the most developed and highly profitable industries in Uzbekistan. The enterprises of the industry produce spun yarn, yarn, raw and finished fabrics, knitting and sewing enterprises produce clothes and household goods. The importance of developing this sector of the economy for Uzbekistan is primarily due to the availability of local raw materials (cotton, silk, wool), as well as the high labor intensity of the textile industry. This is also important in terms of finding solutions to problems such as employment and improving the living standards of the population.*

Keywords: *yarn, skein, raw and finished fabrics, knitwear, sewing, employment, living standards.*

Introduction. As a strategic sector of the Uzbek economy, light industry provides a high level of employment, contributes to the economic and industrial potential and the international prestige of our country. The light industry is developing year by year. The introduction of new production technologies, the use of high-efficiency, modern equipment, and at the same time effective management will ensure high labor efficiency in industrial enterprises, growth in industrial production. The republic, which for many years only exported cotton fiber, today has unlimited opportunities to become a leader not only as a supplier of cotton fiber, but also as an exporter of textiles, especially finished products, in the world textile market.

Methods. Attracting investments will play an important role in the further development of the textile industry and increase the economic potential of manufacturing enterprises. Attracting foreign investment in the economy will help solve important socio-economic problems, such as efficient use of idle production capacity, production of import-substituting and export-oriented products from local raw materials, and employment. This, in turn, requires the broad attraction of foreign investment in the national economy, the strengthening of a favorable environment, guarantees and incentives for them. Without the formation of a favorable investment climate and the active involvement of foreign investment in the national economy, countries transitioning to a market economy will not be able to successfully integrate into the world economic community. Therefore, the role and potential of the country in the world community is determined by its level of economic and social development, and

the choice of rational ways to attract foreign investment in the national economy is one of the most pressing tasks for Uzbekistan.

Results and discussion. Uzbekistan is one of the largest producers of natural textile fibers, yarn and knitwear in the world. There are more than 7,000 textile enterprises in the country, with an annual capacity of:

- Yarn made of 100% cotton - 650 thousand tons;
- Fabric made of 100% cotton - 425 million sq.metr;
- Knitted fabrics - 140.7 thousand tons;
- Knitwear - 660 million dona;
- Socks and socks - 132 million

It should be noted that cotton fiber is the national wealth of the country. Given the conditions created for the development of the industry, the industry faces a number of tasks to further deepen the processing of cotton fiber. In 2019, 988,000 tons of cotton were processed by cotton fiber processing enterprises. In addition, a number of practical measures were taken in 2019 to cultivate cotton in modern ways, process and create additional jobs, expand the integration of the textile industry with agriculture. In particular, on the area of 654.5 thousand hectares (63%) of the total cotton area of the republic by 73 cotton-textile organizers in 88 districts 1.7 million tons of raw cotton were grown by the "cluster" method. In order to produce high-quality, competitive, high-quality yarn, the enterprises of the system have modernized the existing technological equipment, created new capacities, and increased the processing capacity of 808,000 tons of cotton fiber to 988,000 tons by the end of the year.

2019 of the Cabinet of Ministers of the Republic of Uzbekistan In order to ensure the implementation of Resolution No.116 of 12 February, local cotton fiber processing enterprises used a total of 761,000 tons of cotton fiber in 2019 (143% compared to the previous year). In particular, 453 thousand tons of the harvest of 2017-2018, 28.0 thousand tons of the harvest of 2019, 280.0 thousand tons of cotton textile clusters consist of cotton fiber.

In 2019, a total of 608,000 tons of high-quality, competitive yarn was produced (148.1% compared to the previous year). In particular, 206.0 thousand tons (33.9%) of domestic enterprises and 402.0 thousand tons (66.1%) of foreign companies were directed to their own needs. In 2020, the capacity of cotton fiber processing enterprises will exceed 1.1 million tons, and it is planned to develop 945,000 tons of cotton fiber and produce 740,000 tons of yarn [7].

In addition, in 2019, 360 million square meters of cotton fabric, 112 thousand tons of knitted fabrics, 530 million pieces of sewing and knitting products, 220 million a pair of sock products was also produced [8].

Table 1

**Production of industrial products in the Republic of Uzbekistan
and its composition (billion sums)**

Indicators	2017	Share, in percent	2018	Share, in percent	2019 January- November	Share,in percent
Manufacturing industry	117 736,	100,00	189 42,61	100,0	237 394,27	100,00
Food production	23 217,7	19,72	25 256,05	13,32	30 632,74	12,90
Manufacture of textile products	16 763,3	14,24	24 835,24	13,10	27 992,18	11,79

Manufacture of clothing	6 108,20	5,19	7 732,16	4,08	7 896,85	3,33
Production of coke and oil refining products	3 681,9	3,13	5 589,27	2,95	8 935,18	3,76
Manufacture of chemical products	9 893,8	8,40	15 078,45	7,95	17 322,57	7,30
Metallurgical industry	12 498,80	10,62	31 299,54	16,50	52 708,04	22,20
Manufacture of vehicles, trailers and semi-trailers	10 509,60	8,93	26 631,33	14,04	30 928,91	13,03
Others	35 062,90	29,78	53 220,56	28,06	60 977,79	25,69

The volume of industrial output in the gross domestic product of the Republic of Uzbekistan in 2017 amounted to 148816 billion sums, in 2018 - 235340.7 billion sums, in 2019, January-November 297815.5 billion sums. The volume of industrial output in the structure of industrial production in 2017 amounted to 117736 billion sums, in 2018 18964.61 billion sums, in 2019, January-November 237394.27 billion sums. The structure of the manufacturing industry includes food production, textile production, clothing production, coke and oil refining products, chemical products, metallurgy, motor vehicles, trailers and semi-trailers and other industries and we can see how the volume of production in these sectors changed in 2017, 2018 and 2019 January-November (Table1).

According to Table 1, if we look at the changes in the volume of textile production, in 2017 it amounted to 16763.3 billion. Its share in the manufacturing industry was 14.24%. In 2018, the share of textile production amounted to 13.1%, while the volume of production increased in volume to 24835.24 billion sums. In the first 11 months of 2019, the production of textile products amounted to 27992.18 billion sums.

Table 2

**Regions within the manufacturing industry
of the Republic share,% 2019**

		The Republic of Karakalpakstan	Andijan region	Bukhara region	Jizzakh region	Kashkadarya region	Navoi region	Namangan region	Samarkand region	Surkhandarya region	Syrdarya region	Tashkent region	Fergana region	Khorezm region	Tashkent city
Manufacturing industry, total	100	4,2	12,8	4,9	1,6	3,4	14	3,2	5,8	1,4	1,5	17,6	7,2	3,2	18,2
Food production	100	4,7	6,8	6,6	2,6	7,7	3,7	5,1	12,3	3,1	3,0	12,2	8,7	3,8	13,7
Manufacture of textile products	100	3,0	9,5	7,6	4,2	7,7	2,5	9,3	6,8	4,1	2,6	11,2	16,8	5,3	9,4
Manufacture of clothing	100	1,3	20,5	5,7	3,7	5,6	10,6	12,9	4,0	2,5	5,1	6,1	7,6	0,4	14,0

Production of coke and oil refining products	100	0,1	0,0	62,2	0,0	0,0	0,2	0,1	0,1	4,1	0,0	0,5	29,6	0,0	3,1
Manufacture of chemical products	100	37,9	2,6	1,0	0,1	12,8	9,6	0,6	1,2	0,0	0,2	14,4	11,0	0,1	8,4
Manufacture of other mirror mineral products	100	4,0	2,7	5,4	3,9	2,5	13,5	2,5	4,5	2,4	3,8	20,5	13,5	2,4	18,5

If we look at the composition of the regions in the manufacturing industry of the country, we can see that the share of Fergana region in the production of textiles is 16.8%, with the highest share compared to other regions.

Production of industrial products in Fergana region in 2018 will reach 13618.2 billion sums. Of this, the share of manufacturing industry was 95.2%. By 2019, the total industrial output will reach 19490.5 billion sums, which is 143.2% more than in 2018. Of this, the share of manufacturing industry was 95.5%. The share of manufacturing industry here increased by 0.3% compared to 2018.

Table 3

Production and composition of industrial products in Fergana region in 2018-2019

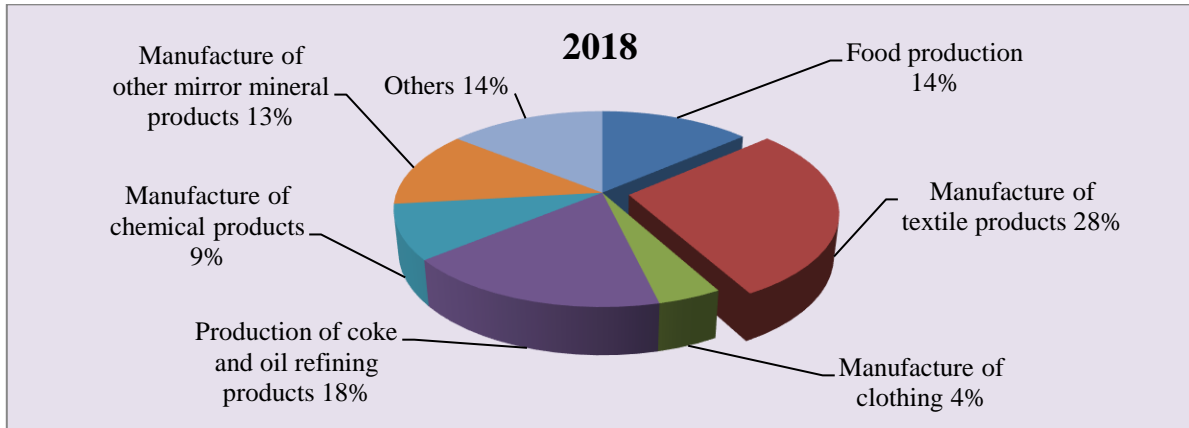
Indicators	2018		2019		Growth rate	
	Manufactured products, billion. sum	Percentage of total production	manufactured products, billion. sum	Percentage of total production	quantity	percent
Manufacturing industry, total	12 966,90	100,00	18 614,10	100,00	5647,20	-
Food production	1 773,16	13,67	2 928,60	15,73	1155,44	2,06
Manufacture of textile products	3 674,56	28,34	5 067,30	27,22	1 392,74	- 1,12
Manufacture of clothing	551,70	4,25	652,40	3,50	100,70	- 0,75
Production of coke and oil refining products	2 308,30	17,80	3 052,00	16,40	743,70	- 1,41
Manufacture of chemical products	1 179,90	9,10	1 988,20	10,68	808,30	1,58
Manufacture of other mirror mineral products	1 633,10	12,59	2 088,30	11,22	455,20	- 1,38
Others	1 846,20	14,24	2 837,30	15,24	991,10	1,00

According to Table 3, the production of textile products in the industrial sector in 2018 amounted to 3674.6 billion sums, in 2019 - 5067.3 billion. sums. In other words, the production of textile products increased by 137.9% compared to 2018.

Summary: The following diagram1 clearly shows the share of textile production in the structure of industry in Fergana region in 2018.

Diagram 1

Industrial structure to be produced in Fergana region for 2018



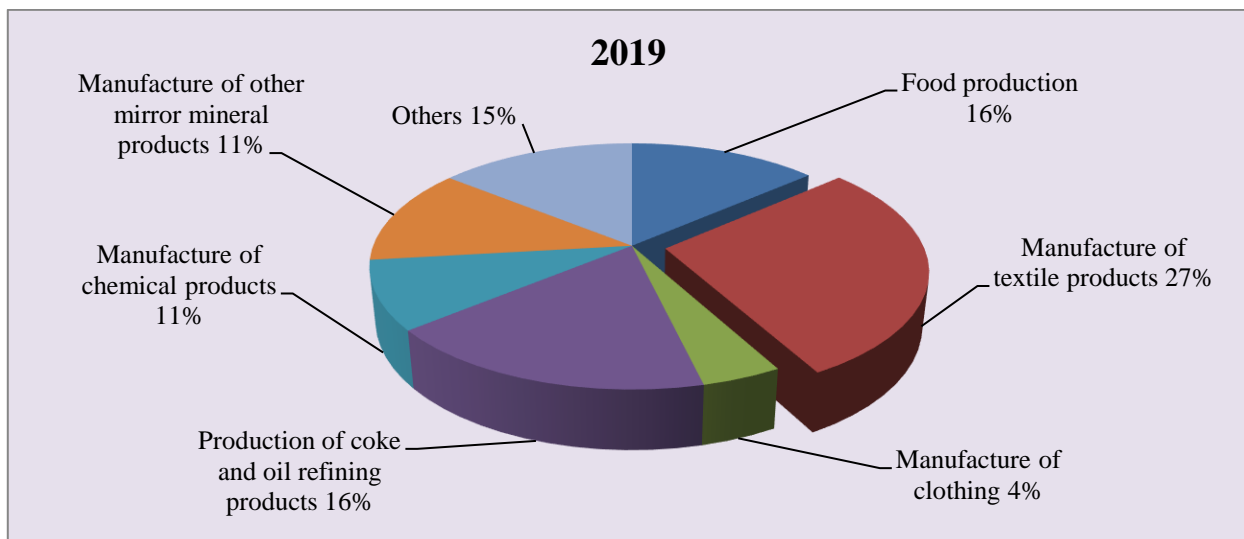
As can be seen from Figure 1, the share of textile production in the structure of industrial production in Fergana region for 2018 was the highest, i.e 28%.

Similarly, in 2019 we can see a change in the share of textile production in the structure of industry in the Fergana region (Diagram 2).

Diagram 2 shows that the share of textile production in 2019 decreased by 1% compared to 2018, but in terms of volume amounted to 1392.74 billion. increased by UZS. The share of food production increased from 14% to 16%. sums. The share of other mirrors, mineral products, vacuum products increased by 2%. Although the share of clothing production remained unchanged, in 2019 it increased by 100.7 billion compared to 2018. increased by UZS.

Diagram 2

The industrial structure of production in Fergana region for 2019



In Fergana region, there are large textile enterprises such as "Fergana Turon Textile" LLC, "Quva Textile" joint venture, "INDORAMA KOKAND TEXTILE" joint venture, foreign enterprise "POSCO International Textile", whose products have buyers in the world market (Table 4).

According to Table 4, textile products produced by Fergana Turon Tekstil LLC and Quva Tekstil JV in 2019 compared to 2018 decreased by 17.7 billion soums and 6.8 billion soums, respectively. The volume of textile production at the joint venture INDORAMA KOKAND TEXTILE and the foreign enterprise POSCO International Textile in 2019 compared to 2018 increased by 68.1 billion soums and 375 billion soums, respectively [12].

In textile enterprises, the increase or decrease in production volume, quality and competitiveness are greatly influenced by the level of fixed assets and working capital. Therefore, we will get acquainted with the activities of "POSCO International Textile" LLC, one of the largest modern, advanced enterprises in the production of textile products not only in the Fergana region, but also in the Republic of Uzbekistan and analyze the level of availability and use of fixed assets and working capital of the company. The foreign company Posco International Textile was acquired in April 1996 by South Korea's Daewoo International Corporation (later Posco Daewoo) for \$ 150 million. It is based on an investment of US \$. The foreign enterprise is a member of the Association of Textile Industry [9]. The legal address of the enterprise is 6 Toralar Street, Toshloq town, Fergana region.

Posco International Textile is located in the eastern part of the Fergana Valley and has manufacturing plants in the cities of Fergana and Bukhara, as well as in the town of Tashlak and the village of Kumtepa. The company has four manufacturing plants engaged in the production of spinning and textile products.

Table 4

Indicators of production of textile products by large industrial enterprises in Fergana region

Name of enterprises	2018		2019		Growth rate	
	Manufactured products, billion Sum	Percentage of total production	Manufactured products, billion sum	Percentage of total production	Quantity	Percentage
Manufacture of textile products	3674,6	100,00	5067,3	100,00	1392,7	0,00
"Fergana Turon Tekstil" LLC	41,0	1,12	23,3	0,46	-17,7	-0,66
Quva Tekstil JV	230,9	6,28	224,1	4,42	-6,8	-1,86
"Indorama Kokand Textile" joint venture	845,5	23,01	913,6	18,03	68,1	-4,98
Other textile enterprises	955,7	26,01	1 330,7	26,26	375,0	0,25
	1 601,5	43,6	2 575,5	50,8	974,0	7,24

The yarn factories of Posco International Textile are Fergana, Toshloq and Bukhara, which produce high-quality unit and double yarn of different thicknesses, made of 100% cotton.

The volume of fixed assets and the level of their use in textile enterprises determine the size of the production capacity of the enterprise. It plays an important role in substantiating the production program and describes the potential of the enterprise to produce a defined range and quality products.

It follows that production capacity is the maximum level of products that can be produced over a period of time using advanced technology, advanced conditions of production and labor organization. It is, as a rule, determined in natural terms by the volume of products produced, by the ratio between the specialization of that enterprise and the particular types of products.

As can be seen from Table 7, the utilization rate of production capacity at the enterprise decreased by 93% in 2017 and 83.7% in 2018 to 9.3% per unit of yarn production. The production of binary yarn increased by 21.6% in 2018 compared to 2017 and amounted to 64.3%. Fabric production was 83% in 2017 and decreased by 4.5% in 2018 to 78.5%.

Table 7

**Analysis of the utilization rate of production capacity at
Posco International Textile [10]**

Name of indicators	Average annual production capacity	2017		2018	
		Produced product quantity	Average annual production capacity utilization rate	Produced product quantity	Average annual production capacity utilization rate
Unit yarn (tons)	48629	45162	93	40 683,14	83,7
Binary yarn (tons)	6276	2681	42,7	4 033,13	64,3
Fabric (thousand m2)	68400	56 718	83	53 682,36	78,5
Total	123 305	104 561	84,8	98 398,63	79,8

This means that the overall utilization rate of production capacity in 2018 decreased by 5% compared to 2017.

The economy of the enterprise is greatly affected by the age of the fixed assets being exploited, primarily the age of machinery and equipment. Currently, the age grouping of machinery and industrial equipment is roughly based on the following terms: 5 years, 5 to 10 years, 10 to 15 years, 15 to 20 years, 20 to 25 years, and so on.

Table 8

Age structure of fixed assets of Posco International Textile, in%[10]

Name of indicators	Up to 3 years	4 to 5 years	6 to 10 years	More than 10 years
Age structure of fixed assets				
In 2017	15	3	3	79
In 2018	16	3	3	78

The longer the service life of machinery and equipment, the lower the production capacity of the enterprise, the lower the quality of products, the higher downtime and losses, and vice versa. In addition, maintenance costs are also high when the enterprise equipment is used for a long period of time (Table 8).

As can be seen from the data in Table 8, the age of fixed assets at this foreign enterprise increased by 1% in 2018 compared to 2017. That is, fixed assets under 3 years of age increased by 1% compared to 2017, fixed assets over 10 years of age decreased by 1%. The age of fixed assets at the enterprise has contributed to the decline in the utilization rate of production capacity.

Conclusion. In conclusion, it can be said that in the textile and other light industries to ensure deeper processing of raw cotton, export of finished products such as dyed yarn, knitted fabrics and fabrics to foreign countries, and then, based on the active adoption of modern technology and design, finished textile products we can achieve tremendous efficiency in production.

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