

WAYS TO IMPROVE THE DEVELOPMENT AND MANAGEMENT OF FOREIGN ECONOMIC ACTIVITY AT INDUSTRIAL ENTERPRISES OF UZBEKISTAN

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Annotation: *The article discusses the improvement of the economic and social status of the country through the development of exports at industrial enterprises of Uzbekistan, the development of practical proposals and recommendations for improving the standard of living and eliminating unnecessary shortcomings.*

Key words: *economy, export, management, marketing*

In today's global economy, exporting serves somewhat different purposes for developing and industrial countries.

Although the economies of developing countries are typically not as productive as the economies of industrial countries, developing countries nonetheless produce some goods and services in amounts they are unable to use or consume at home. This is called a production surplus.

In accordance with the Decree of the President of the Republic of Uzbekistan dated February 7, 2017 "On the Strategy of Action for Further Development of the Republic of Uzbekistan" No. UP-4947, 2 September 2017 "On Primary Measures to Liberalize Foreign Exchange Policy" Structural adjustment of production in the years -2019, modernization and diversification of the economy, as well as the implementation of tasks set out in other normative and legal acts aimed at the wide-scale attraction of investments, in particular, the effectiveness of foreign direct investment[1].

SWOT analysis of the Company's last three year economic indicators

Through SWOT analysis, the company's overall status has been studied in four ways, they strengths, weak sides, threats and capabilities.

On the tables the company have scored and ranked by four experts and taken the overall results. Quantitative assessment (from 1 to 4 points, where 4 - the largest corresponds, and 1 - the smallest) rank (where the lowest value is 1 and the largest is 5)

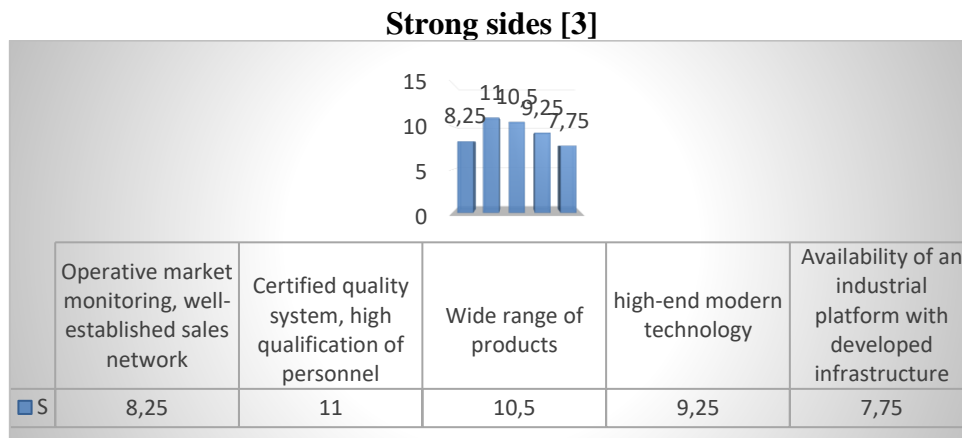
Table 1

Strong sides [3]

Strengths		№ expert								Average value
		Expert 1		Expert 2		Expert 3		Expert 4		
		score	rank	score	rank	score	rank	score	rank	
1	Operative market monitoring, well-established sales network	3	5	4	1	2	4	3	2	8,25
2	Certified quality system, high qualification of personnel	4	3	3	4	4	2	3	4	11
3	Wide range of products	3	2	3	2	3	5	3	5	10,5
4	high-end modern technology	4	2	3	4	4	2	3	3	9,25
5	Availability of an industrial platform with developed infrastructure	3	3	2	3	4	3	4	1	7,75

The table gives information about the strengths of the company. It is crystal clear that the certified quality system, high qualification of personnel and wide range of products' indications are very good and of course the other two, operative market monitoring, well-established sales network and high-end modern technology are too good and by these proportions we can say the future of the company is bright. Look carefully at the diagram № 1 below for more accurate indicators.

Diagram 1



The weak sides of the company are unmatched production power, high production costs, delayed maintenance, flaws in the advertising policy and disagree with HR management decisions.

Table 2

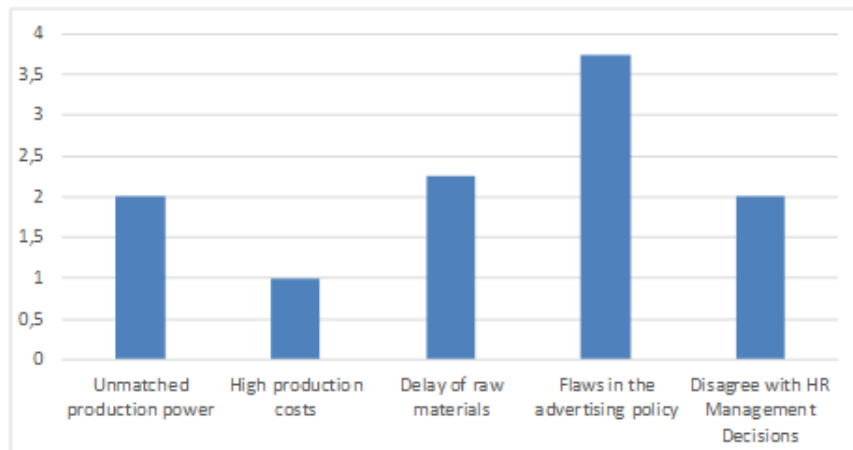
Weak sides [3]

Weak sides		№ expert								Average value
		Expert 1		Expert 2		Expert 3		Expert 4		
		score	rank	score	rank	score	rank	score	rank	
1	Unmatched production power	1	2	2	3					2
2	High production costs	1	2	2	1					1
3	Delay of raw materials	2	3	1	3					2,25
4	Flaws in the advertising policy	3	3	2	3					3,75
5	Disagree with HR Management Decisions	2	1	2	3					2

If we put them into the diagram it would be easier to see the differences the proportion of the indications (diagram № 2).

Diagram 2

Weak sides [3]



As soon as look at the table you can see he company have some problems with Flaws in the advertising policy because mostly company use the net than others as well as that the main part of the raw materials transported by the trucks and so there is some unexpected problems for the activities [6]. Other noticeable hassles are disagree with management decisions and high production costs, the main reason the first one is just different cultures the managers are from the other part of the country and the work and local workers are another part. Now these problems already have solved.

Despite the fact that the company has good development indicators, it has some threats and has always been looking for opportunities to remedy them. They are poor strategic planning and development of enterprise effectiveness, the financial position depends on the level of order quantity of several major consumers, delay of raw materials supply, sharply falling exchange rate and traffic accident on the road.

Let's pay an attention to all the threat facts one by one. Look at the diagram № 3

If we glance at the diagram, the highest indexes are related to the financial position depends on the level of order quantity of several major consumers and sharply falling exchange rate just at 8 the main reason of it the main buyers of the company's product are IP LLC «UZ-KORGAS CHAMICAL» and «GLOBAL TONAR» LLC and the country's exchange rate is too sensitive side of the company.

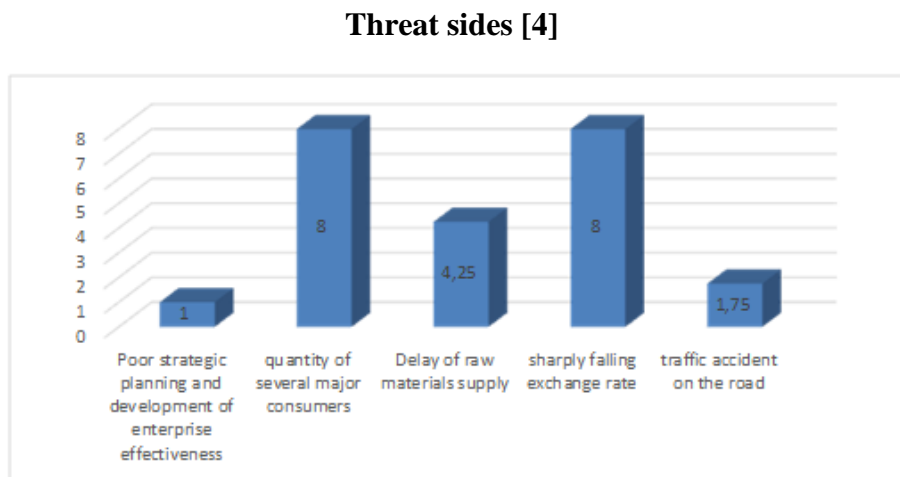
Diagram 3

Threat sides [3]

Threats	№ export								Average value
	Expert1		Expert2		Expert 3		Expert 4		
	score	rank	score	rank	score	rank	score	rank	
1 Poor strategic planning and development of enterprise effectiveness	1	2	1	2					1
2 The financial position depends on the level of order quantity of several major consumers	4	5	4	3					8
3 Delay of raw materials supply	2	1	3	5					4,25
4 sharply falling exchange rate	4	4	4	4					8
5 traffic accident on the road	2	2	1	3					1,75

Despite of the low indexes poor strategic planning and development of enterprise effectiveness, delay of raw materials supply and traffic accident on the road could turn into the most and unsolvable problems in a while and so they always and he control of the managers.

Diagram 4



However, the capabilities of the firm are scored very good by the experts of course, are based on these particular facts and ideas.

Table 3

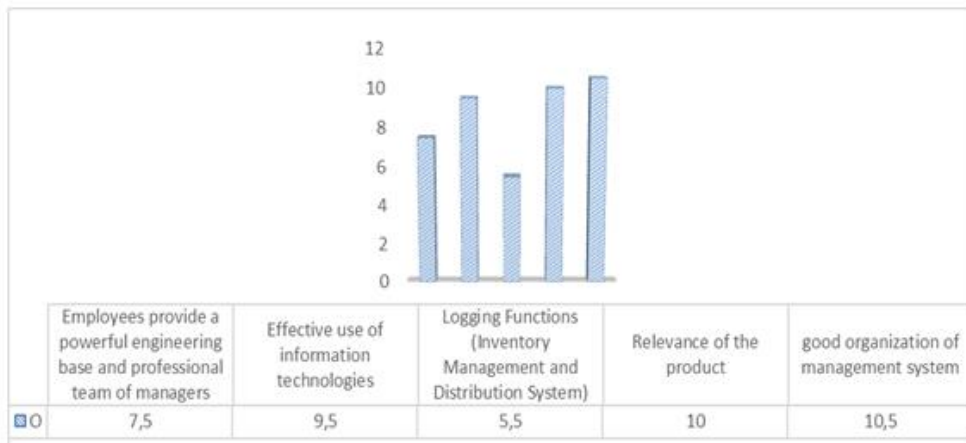
Capabilities [3]

Capabilities	№ expert								Average value
	Expert1		Expert2		Expert 3		Expert4		
	score	rank	score	rank	score	rank	score	rank	
1 Employees provide a powerful engineering base and professional team of managers	4	3	4	3	3	2			7,5
2 Effective use of information technologies	3	4	4	5	3	2			9,5
3 Logging Functions (Inventory Management and Distribution System)	2	2	4	3	3	2			5,5
4 Relevance of the product	4	4	3	4	4	3			10
5 good organization of management system	2	5	4	3	4	5			10,5

It is crystal clear that relevance of the product and good organization of management system’s results just over 10 even though it is difficult to see even the most advanced enterprises and organizations in the world. And the others are just among 5.5 and 9.5 they are too unbelievable proportions for this type of companies. To see more exact look at the diagram to see more exact look at the diagram № 5

Diagram 5

Capabilities [4]



We can see the scored style in other table and totally another situation yet, the same results.

Table 4

SWOT analysis of the Company's last three year economic indicators [3]

Problem field								
	S C O R E	Strengths			Weak sides			
		Availability of modern technology	Wide range of products	Certified quality system, high qualification of personnel	Flaws in the advertising policy, the average level of product prices	Stopping maintenance	" Disagree with HR Management Decisions "	
	S C O R E	9,25	10,5	11	3,75	2,25	2	
Threats	The financial position depends on the level of order quantity of several major consumers	9,25	A new production strategy	Search for new niches ...	Search for "ways" to reduce costs ...	6,4	Reduction of transportation, storage costs ...	.....
	Delay of raw materials supply	4,25	.....	.....	.....	5,2	.....	.....
	sharply falling exchange rate	8	.....	.....	.....	3,4	.....	.....
	S C O R E	10	8,4	7,6	7,4	6	4,6	
Capabilities	Relevance of the product	4	Producing production at world-class quality ...	.....	.....	3,2	.....	.....
	good organization of management system	2,5	.....	Development of strategic marketing	.....	2,4	Allocating and enhancing logistic functions ...	.....
	Employees provide a powerful engineering base and professional team of managers	3	.....	.....	.....	2	.....	.....
The strengths, weaknesses and opportunities that are considered in the "problem field" are chosen on the basis of assessments of experts.								
The problem field itself is a combination of possible options for action lines and / or specific activities to neutralize threats to the external environment								

The company's three-year financial results and the amount of exports in accounting balances

The financial results of the enterprise and the balance of the balance of payments are largely due to exports, with over 70% of the production being exported.

IP LLC «UZ-KORGAS CHEMICAL», a reliable partner of the company in the foreign market, and the so-called "GLOBAL TONAR" LLC in the domestic market. In addition, the company has close ties with other countries and has made a great deal of trade with them, such as, Turanles (Russia) LLC, PREMIER-ALKO (Russia) LLC, IP LLC Segang (Korea) and others.

Table 5

Balance sheet. (Active) [4] Comparative results of the three years balance sheet from of the beginning of the reporting period (2018-2020)

<u>Indicator name</u>		2018	2019	2020
1	2	3	4	5
Active				
I. Long-term assets				
Basic tools:				
Start-up value (0100, 0300)	010		1836	24830
Excess amount (0200)	011			2121
residual value (line 010-011)	012	0,00	1836	22709
Intangible Assets:				
Starting point (0400)	020			
Amortization sum (0500)	021			
residual value (line 020 - 021)	022	0,00	0,00	0,00
Long-term investments, total (line 040 + 050 + 060 + 070 + 080)	030	0,00	29899	29899
Securities (0610)	040		29899	29899
Investments in Subsidiary Enterprises (0620)	050			
Investments into dependent economic societies (0630)	060			
Investments in Foreign Direct Investments (0640)	070			
Other Long Term Investments (0690)	080			
Built-in equipments (0700)	090		1122	
Capital investments (0800)	100			
Long-term receivables (0910, 0920, 0930, 0940)	110			
Dolgosrochnye otrachenye rashehodi (0950, 0960, 0990)	120			
According to Section I, the total (row 012 + 022 + 030 + 090 + 100 + 110 + 120)	130	0,00	32957	52708
II. Current assets				
Total inventory, total (line150 + 160 + 170 + 180)	140	0,00	218902	1237348
Production stocks (1000, 1100, 1500, 1600)	150		218902	1237348
Unfinished production (2000, 2100, 2300, 2700)	160			
Finished products (2800)	170			
Goods (from 2900 to 2990)	180			
Expenditures in the future (3100)	190			
Delayed Expenses (3200)	200			
Debtors, total (line 220 + 240 + 250 + 260 + 270 + 280 + 290 + 300 + 310)	210	0,00	92192	321708
of which: expired *	211			
Debt of customers and customers (from 4000 to 4900)	220		38412	184591
Debt of Departments (4110)	230			
Debt of Debt Consolidated and Affiliated Entities (4120)	240			
Employee Benefits (4200)	250			
Suppliers and Contractors (4300)	260		32619	101128
Advance payments to taxes and other mandatory payments to the budget (4400)	270		20840	54142
Targeted public funds and insurance premiums (4500)	280		321	19
Shareholders' equity debt (4600)	290			
Employee Other Payables (4700)	300			
Other receivables (4800)	310			1828
Total cash (line 3.330 + 340 + 350 + 360), including:	320	0,00	2471682	225305
Cash on hand in cash (5000)	330			
Cash in Cash & Accounts (5100)	340		8411	1009
Foreign currency loans (5200)	350		2483271	224298
Other monetary and equivalents (5500, 5600, 5700)	360			
short-term investment (5800)	370		4700	4700
Other Current Assets (5900)	380			
Total number 2 (row 140 + 190 + 200 + 210 + 320 + 370 + 380)	390	0,00	2785478	1789059
Total balance sheet assets (line 130 + 390)	400	0,00	2818433	1841767

Let's look at the Comparative results of the three years balance sheet from the beginning of the reporting period (2018-2020) of the «PALLET PRODUCTION» LLC

Table 6

Balance sheet (Passive) 2018-2020 [4]

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1	2	3	4	5
Passive				
Reserve capital (8500)	430			
Purchase Special Offers (8600)	440			
Undistributed Profit (Undistributed Income) (8700)	450		246797	429229
Targeted earnings (8800)	460			
Reserves for future expenditures and payments (8900)	470			
Total number of sections I (row 410 + 420 + 430-440 + 450 + 460 + 470)	480	0,00	251797	435229
II. Obligations				
Long - term liabilities (total: 500 + 520 +530 +540 + 550 + 560 + 570 + 580 + 590)	490	0,00	0,00	0,00
including: long-term payables (line 500 + 520 + 540 + 560 + 590)	491	0,00	0,00	0,00
Long-term debt to suppliers and contractors (7000)	500			
Long term liabilities to subdivisions (7110)	510			
Long-term debt to subsidiaries and dependent businesses (7120)	520			
Long term deferred income (7210, 7220, 7230)	530			
Long term deferred liability on taxes and other obligatory payments (7240)	540			
Other long term deferred liability (7250, 7290)	550			
Customers and Customers Received (7300)	560			
Long term bank borrowings (7810)	570			
Long-term borrowings (7820, 7830, 7840)	580			
Other long term payables (7900)	590			
Current liabilities are calculated by multiplying the total number of transactions (total 610 + 630 + 640 + 650 + 660 + 670 + 680 + 690 + 700 + 710 + + 720 + 730 + 740 + 750 + 760)	600	0,00	2566636	1406538
including current accounts payable (row 610 + 630 + 650 + 670 + 680 + 690 + + 700 + 710 + 720 + 760)	601	0,00	2461636	1128038
including: current overdue debts *	602			
Debts to suppliers and contractors (6,000)	610		120114	1014880
Borrowing Deposits (6110)	620			
Debt Consolidation to Affiliated and Affordable Entities (6120)	630			
Delayed earnings (6210, 6220, 6230)	640			
Delinquent liabilities on taxes and other obligatory payments (6240)	650			
Other deferred liability (6250, 6290)	660			
Scattered threads (6300)	670		2272792	103415
Debt to the budget (6400)	680		11335	1816
Debt settlement (6510)	690		251	4115
Debt settlement to Targeted State Funds (6520)	700			
Shareholders' Payables (6600)	710		50750	
Employee Pay Debt (6700)	720		6394	3812
Short term bank loans (6810)	730			
Short term payables (6820, 6830, 6840)	740		105000	278500
Current portion of long-term liabilities (6950)	750			
Other payables (6900, 6900)	760			
Total section II (row.490 + 600)	770	0,00	2566636	1406538
Total balance sheet liabilities (line 480 + 770)	780	0,00	2818433	1841767

In passive current liabilities are calculated by multiplying the total number of transactions and current accounts payable's indications totally changed. At the beginning of the year the amount of these two indications were equal to zero. In 2019 the proportions rocketed at 2566636 and 2461636 yet, in the next year the trends went down to 1406538 and 1128038.

Table 7

**The company's three years' financial results 2018-2020 [5]
Financial results for the first annual presentation of financial results**

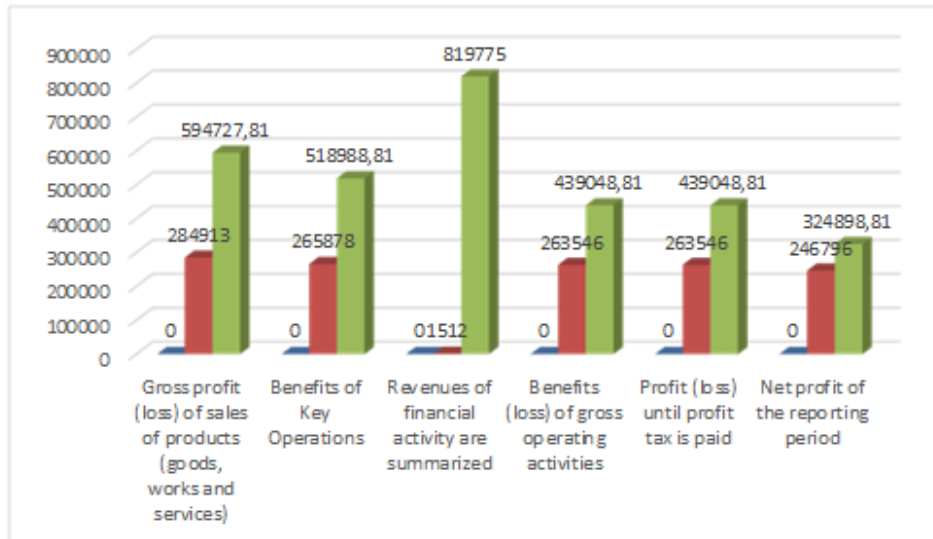
Indicator name		2018		2019		2020	
	code	Revenues (profit)	Expenses (losses)	Revenues (profit)	Expenses (losses)	Revenues (profit)	Expenses (losses)
1	2	3	4	5	6	7	8
Net sales from sales of products (goods, works and services)	010		x	334995	x	6585892	x
The cost of goods sold (goods, works and services)	020	x		x	50082	x	5990964.19
Gross profit (loss) of sales of products (goods, works and services) (line 010-020)	030	0,00	0,00	284913	0	594727.81	0
Turnover costs total (line 050 + 060 + 070 + 080) including:	040	x	0,00	x	19035	x	75739
Sale Expenses	050	x		x		x	
Administrative expenses	060	x		x	6278	x	41154
Other operating costs	070	x		x	12757	x	34585
The deductible expenses of the reporting period after taxation	080	x		x		x	
Other operating income	090		x		x		x
Benefits of Key Operations (line 030-040 +090)	100	0,00	0,00	285878	0	510988.81	0
Revenues of financial activity are summarized (row 120 + 130 + 140 + 150 + 160) including	110	0,00	x	1512	x	81975	x
Income in the form of dividends	120		x		x	738	x
Interest Income	130		x		x		x
Income from finance leases	140		x		x		x
Income from the exchange rate difference	150		x	1512	x	81937	x
Other Income of Financial Activities	160		x		x		x
Costs of financing activities (line 180 + 190 + 200 + 210), including:	170	x	0,00	x	3844	x	899715
Interest-bearing expenses	180						
Interest expense on finance lease	190	x		x		x	
Currency loss differences	200	x		x	3844	x	899715
Other expenses on financial activities	210	x		x		x	
Benefits (loss) of gross operating activities (line 100 + 110-170)	220	0,00	0,00	283548	0	439048.81	0
Earnings and Losses	230						
Profit (loss) until profit tax is paid (line 2120 +/- 230)	240	0,00	0,00	283548	0	439048.81	0
Income tax	250	x		x		x	
Other taxes and other mandatory payments	260	x		x	16750	x	114150
Net profit of the reporting period (line 230-250-260)	270	0,00	0,00	246798	0	324898.81	0

It could be plainly viewed that the company started to paying an attention to them last 3 years and achieved some goals by them. Now, let's browse the three years' financial results in the table № 7

For seeing more vividly the table divided into two diagrams Revenues (profit) and Expenses (losses).

Diagram 6

Revenues (profit) 2018-2020 [5]



The diagram dates clearly show significantly changes of revenues (profit) between two periods 2018 and 2020.

It is clearly seen that the highest proportions are related to 2019 in all periods. At the beginning of the year the company indicated 594 727 000 sums by Gross profit (loss) of sales of products (goods, works and services) it was two times higher than on 2019, Revenues of financial activity are summarized at 819 775 000 sums and it was dramatically high than last year's, Benefits of Key Operations at 518 988 810 sums, Net profit of the reporting period at 324 898 810 sums. Interestingly, Benefits (loss) of gross operating activities and Profit (loss) until profit tax is paid are on the same pages and the indicators that are interconnected have changed in the same way for the same two years from 263 546 000 to 439 048 810 sums.

When it comes to the expenses (losses) the two most important sections Turnover costs total and the Costs of financing activities illustrate that the total amounts increased to many times. Such as, Turnover costs total climbed from 19 035 000 to 75 739 000 sums it had risen just around 3.5 times and Costs of financing activities from 3 844 000 to 899 715 000 sums it was more than 200 times it was astronomically high.

CONCLUSION

Increasing exports to developing countries are seen as an important factor. Exporters are helping to export the country, which, in turn, will improve the living standards of the country's population. Despite the fact that exporting companies play an important role in the economic development of the country, they are limited to a number of export marketing issues. Different authors divided the problem into different classes. Therefore, all of the export marketing issues discussed by Tesfom and Lutz (2006) are devoted to internal and external issues [7].

This research has identified problems in the export market facing E vegetable and fruit traders. The research has shown that there are significant intermediate problems for manufacturers of internal and external barriers. Breeders are heavily influenced by macro environmental barriers including infrastructure, currency fluctuations, and bureaucratic administration. In domestic barriers, quality barriers were the most important for the producers. Human resources and financial barriers are moderate; marketing knowledge and technical flexibility were less significant for cotton growers. Many cotton growers do not have marketing knowledge and technical problems. At the same time, domestic investors have a very serious impact on these issues.

As for external barriers, export barriers are a less important barrier for most cotton growers, including customers and procedural barriers. Most of the grown-ups have a great impact on procedural barriers, but customer barriers are the most important obstacle. Macroeconomic barriers Ethiopia is a major barrier to fruits and vegetables and fruits and vegetables. Industry barriers are moderate barriers to cotton growers.

There are also additional problems identified by talking to stakeholders and growers. This includes issues with management's responsibility; technological advancement and awareness-raising; financial problems for smooth execution of farm operations; lack of groundwater and sea transport systems; Low awareness of network sensitivity among stakeholders; Seasonal Ethiopian Vegetables and Fruit Supply; Low freight traffic; lack of infrastructure; bureaucracy of public organizations; The need to certify a variety of food safety from various importers; lack of potential markets; stable demand from importers; world economic and political crisis; Lack of access; and the lack of integration between different stakeholders in the sector.

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