TRENDS IN INCREASING EXPORT POTENTIAL OF TEXTILE INDUSTRY ENTERPRISES IN THE BUKHARA REGION

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ABSTRACT

The textile industry plays a vital role in our country's economic development. In particular, in recent years, the industry has undergone significant changes and structural reforms. Uzbekistan's leading position in cotton production has created a solid foundation for the development of the textile industry. Uzbekistan's textile industry is a strategic sector playing a vital role in the country's economic development. Since independence, the government of Uzbekistan has implemented large-scale reforms to modernize the sector, create favorable conditions for foreign investors, and stimulate textile exports. As a result, the number of textile enterprises has increased, many of which have begun operating at full capacity. Cotton fiber is processed and supplied to domestic and foreign markets as finished products. In particular, significant development of the textile industry in Uzbekistan was observed between 2015 and 2025. The country's leading position in cotton production and the large-scale measures taken by the state create favorable conditions for the future development of the industry

Introduction. As is known, Uzbekistan ranks sixth in the world in cotton production. Uzbekistan produces an average of over 3 million tons of cotton annually, of which over 1 million tons is processed into cotton fiber. Uzbekistan ranks fourth in the export of purified cotton fiber after the United States, Brazil, and Australia. The main export destinations are China, Russia, Turkey, Bangladesh and South Korea. In recent years, Uzbekistan has been pursuing a policy of reducing cotton exports and increasing textile exports. On average, 26-27 million tons of cotton are harvested annually worldwide, and over 60% of this harvest comes from three countries: China, India, and the United States. More than 25% of the world's cotton, or approximately 6.5 million tons per year, is grown in China. Another important aspect is that China practically does not export raw cotton and processes it entirely. It not only processes its own cotton but also imports it from abroad. India's natural environment is also very favorable for cotton cultivation. This country also produces approximately 6.3-6.4 million tons of cotton per year, and in some years even surpasses China in yield and ranks first. The United States produces an average of 3.5 million tons of cotton per year, ranking third in the world. Pakistan also finishes at the bottom of the rankings with a yield of 2.3-2.4 million tons, and Brazil with 1.4 million tons.

Research methodology. Textile industry enterprises operating in the Bukhara region were selected as the research object. Modern management approaches, a systematic and comprehensive approach, a functional approach, analysis and synthesis, monographic analysis, scientific abstraction, statistical data grouping, comparative analysis, sample observation, and abstract logical methods were used to analyze the increase in the enterprises' export potential.

Analysis and results. Currently, the country's export geography is also expanding. Uzbekistan's textile products are exported to more than 60 countries, including Russia, China, Turkey, Poland, the UAE, Kazakhstan, Kyrgyzstan, and others. Garments and knitwear account for over 70 percent of textile exports. In particular, an analysis of the Bukhara region's export potential reveals a steady increase in the number of textile enterprises in the region and their production capacity in recent years. Specifically, by the end of 2024, more than 130 textile enterprises were operating in the region, exporting products worth over $150 million. This figure accounted for 18 percent of the region's total industrial exports. Cotton yarn, knitted fabrics, and finished garments account for the largest share of exports.

The main factors that positively influence the development of export potential include:

• Infrastructure development: the creation of industrial zones, logistics centers, and export-oriented manufacturing clusters.

• Government support: tax breaks, customs preferences, and subsidies for exporting companies.

• Technological modernization: the import of modern textile equipment from Europe and China, increasing the level of automation.

In recent years, the structure of exports has changed. For example, as a result of reforms in the cotton system and efforts to increase value added, exports of cotton seed and fiber have sharply declined. Yarn, weaving, knitwear, finished garments, and other finished goods have become the main components of exports. Finished garment exports account for 60-70% of total exports. The Bukhara region is one of the traditional and modern centers of Uzbekistan's textile industry, accounting for approximately 10-15% of the country's textile production. However, along with the achievements in the textile industry, numerous problems and shortcomings exist. In particular:

- Dependence on raw materials: There remains a high need for imported raw materials (synthetic fibers, dyes, and accessories) for the production of yarn and weaving. This increases import dependence and costs.

- Logistics and transportation costs: Remoteness from sea routes, transit difficulties, and high transportation costs reduce the competitiveness of exports.

- Branding and design: A significant portion of exports is still custom-made. There are shortcomings in the creation of private labels and the high level of design capabilities of enterprises.

- Qualified personnel: there is a growing demand for highly qualified specialists working with modern equipment in the fields of design, marketing, and international trade.

- Uncertainty and competition in the global market: global economic instability, geopolitical tensions, and competition from more experienced competitors such as Turkey, Bangladesh, India, and Vietnam.

- Sustainable development and environmental requirements: international markets (especially Europe) increasingly demand compliance with environmental protection and social responsibility standards. Adapting to this requires additional investment.

The textile industry, one of the leading sectors of the economy of the Republic of Uzbekistan, has played a significant role in national economic growth in recent years due to the expansion of export-oriented production. In particular, the sector has seen significant shifts toward higher-end production, an increased share of finished goods that meet international standards, and entry into new market segments.

The Bukhara region has achieved significant success in recent years in developing textile clusters, launching modern production facilities, and stimulating export activity. Specifically:

• In 2015, only 62 textile enterprises operated in the region, but their number increased until 118 in 2024.

• Export volumes have almost doubled compared to 2015, with finished garments and knitwear accounting for the majority of exports.

• The region has developed a complete value chain from production to export thanks to large clusters such as Bukhara Diamond Silk, Bukhara Textile Cluster, Bukhara Cotton Textile, Kamalak Shabnam and Dunyo Textile.

Furthermore, the Bukhara region's export potential is growing thanks to its geographic location and the development of its rail logistics infrastructure. This is driven in particular by the increasing share of high-tech products, the expansion of regional clusters, and government support measures. To fully realize this potential in the future, it is important to strengthen the certification system based on international standards, develop brand creativity, develop a strategy for entering new market segments, and encourage exporters to adopt innovative approaches.

In our opinion, to further increase the export potential of textile enterprises in the Bukhara region, it is necessary to focus on the following key areas: accelerating technological modernization processes, supporting the creation of private labels at enterprises, reorganizing the personnel training system in line with modern requirements, expanding production in line with international standards, strengthening marketing activities to develop new export markets, strengthening cooperation between the public and private sectors.

Based on these approaches, our country's textile industry can strengthen its position among the world's leading exporters. Undoubtedly, the Bukhara region, thanks to its natural and economic advantages, also makes a significant contribution to the development of the national textile industry.

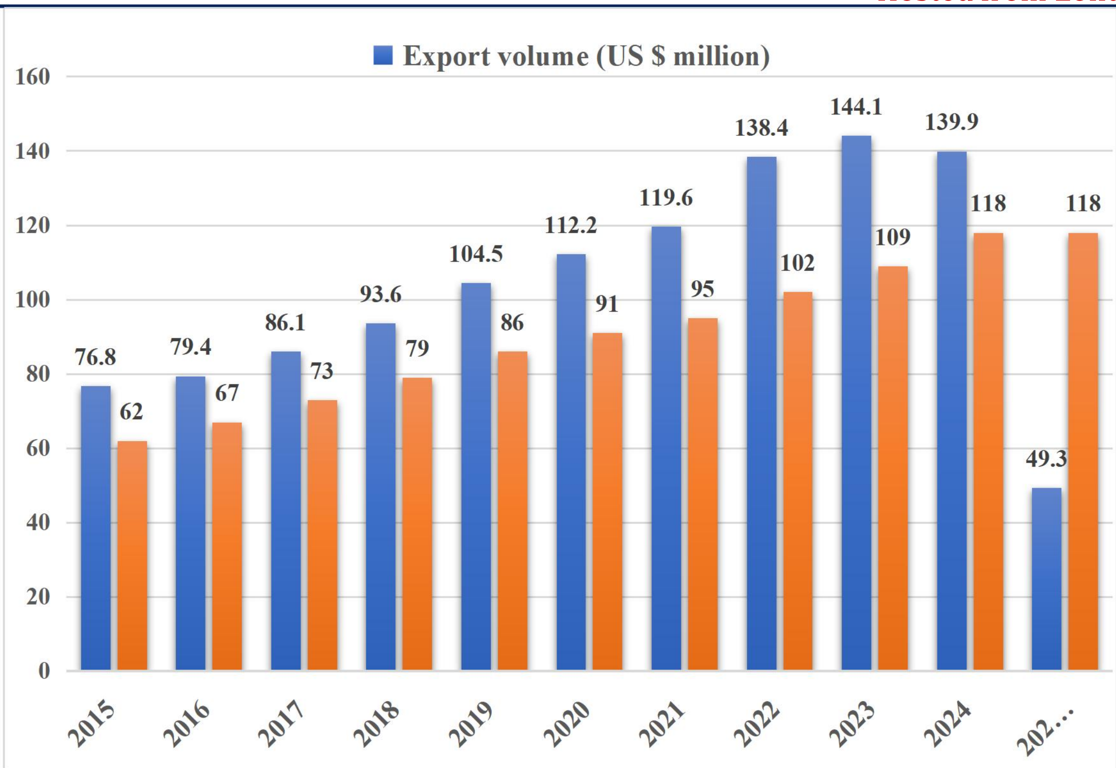

Diagram 1. Dynamics of textile export volumes and the number of enterprises in the Bukhara region in 2015–2025[1].

This diagram reflects annual changes in the volume of exports and the number of textile enterprises in the Bukhara region for 2015–2025. The indicators in the diagram illustrate the relationship and dynamics of two important economic indicators: export volume and the number of manufacturing enterprises. From 2015 to 2024, the volume of textile exports increased by 1.8 times (from $76.8 million to $139.9 million), while the number of enterprises almost doubled (from 62 to 118). These indicators confirm that the industry is undergoing intensive development and has the potential to maintain positive dynamics in the future. Significant growth was recorded in 2018–2020. In 2018, it reached $93.6 million, in 2019 – $104.5 million, and in 2020 – $112.2 million. Although the highest export volume of US$144.1 million was recorded in 2023, unfortunately, a decline of US$139.9 million or 2.9% was observed by 2024.

Between 2015 and 2018, the number of enterprises remained relatively stable, fluctuating between 62 and 79. During this period, a slow but steady growth trend was observed. Beginning in 2019, the number of enterprises began to grow significantly, reaching 86. In 2020, this number reached 91, and in 2021, 95. Between 2022 and 2024, the number of enterprises demonstrated the highest growth rate: from 62 in 2015 to 118 in 2024, nearly doubling. The increase in the number of enterprises and export volumes, as well as the increase in the average export performance of each enterprise, indicate the qualitative and quantitative development of the sector. The growth in export volumes and the number of enterprises observed during this period indicate the gradual development of the export

[1] The calculations were performed by the author based on data from the National Statistical Committee of the Republic of Uzbekistan.

potential of the textile industry in the Bukhara region. This trend has accelerated particularly over the past five years, confirming the successful implementation of the regional industrial policy and strategic measures aimed at exports.

Conclusion. Overall, the export potential of textile enterprises in Uzbekistan, and in the Bukhara region in particular, is steadily growing. Expanding government support, the introduction of modern technologies, and expanding export markets are contributing to the sector's increased competitiveness in the global market. In the future, this potential can be further enhanced by diversifying export products, strengthening external marketing strategies, and implementing innovative approaches.

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