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Factors Affecting the Autonomous Development of the Textile Industry in Uzbekistan

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Аннотация: This article examines the current state and strategic development prospects of the textile industry in Uzbekistan within the broader context of global textile production and trade. The study aims to analyze recent trends and structural changes in Uzbekistan's textile sector, evaluate its economic significance, and identify key internal and external factors influencing its competitiveness. A comprehensive SWOT analysis assesses the industry's strengths, weaknesses, opportunities, and threats, providing insight into its sustainable and autonomous development potential.

Ключевые слова: textile industry; fabric production; investment; internal and external crises; industrial attractiveness; competitive threats; strengths and opportunities; weaknesses and risks; sectoral activation

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Факторы, влияющие на автономное развитие текстильной промышленности в Узбекистане

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Abstract. В данной статье рассматривается текущее состояние и стратегические перспективы развития текстильной промышленности в Узбекистане в более широком контексте мирового текстильного производства и торговли. Исследование направлено на анализ последних тенденций и структурных изменений в текстильной отрасли Узбекистана, оценку ее экономической значимости и выявление ключевых внутренних и внешних факторов, влияющих на ее конкурентоспособность. Комплексный SWOT-анализ оценивает сильные и слабые стороны, возможности и угрозы отрасли, давая представление о ее потенциале для устойчивого и автономного развития.

Keywords: текстильная промышленность; производство тканей; инвестиции; внутренние и внешние кризисы; промышленная привлекательность; конкурентные угрозы; сильные стороны и возможности; слабые стороны и риски; активизация отрасли

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Введение / Introduction

The global textile industry is one of the largest and most complex sectors in the world, encompassing the processing of raw materials such as cotton, silk, wool, and synthetic fibers, as well as the production of fabrics, garments, and other textile products. This industry plays

a significant role in the global economy, contributing to employment, international trade, and the fashion sector. It is one of the world's largest employers, with more than 60 million people directly engaged in various segments of the industry. The textile sector has a vast and intricate global supply chain, spanning from raw material cultivation to the



retail sale of finished goods. From an economic standpoint, it serves as a major export sector for many countries. China is the world's leading manufacturer and exporter of textiles and clothing. India has a strong raw material base—including cotton, silk, and wool—and a large labor force. Bangladesh, Vietnam, and Pakistan have seen rapid industrial development in this sector due to low labor costs and an export-oriented production model. Turkey, Italy, and the United States are recognized for producing high-quality and branded textiles. The development of the textile industry depends on balancing profitability with the cost of capital, including interest rates. Access to credit, domestic innovation, and the import of advanced machinery and technology are critical to its growth. Additionally, scientifically grounded long-term planning that considers historical trends and the evolutionary characteristics of national production systems plays a key role in sustainable development [1]. Uzbekistan's textile industry is one of the strategic sectors of the national economy. In recent years, substantial reforms, increased investments, and modernization efforts have transformed the sector into a key driver of the country's export potential. Uzbekistan is among the world's largest producers and exporters of raw cotton, with millions of tons harvested annually. This domestic supply directly supports the textile industry. In response to agricultural reforms, the cultivation of organic cotton has also expanded in recent years. In line with the aspirations to build a free, prosperous, and powerful «New Uzbekistan,» and to ensure that every citizen has opportunities to realize their potential, the government has adopted the «Uzbekistan–2030» Strategy. This national plan includes the production of 400,000 tons of artificial and blended fibers, aiming to diversify raw material inputs and reduce reliance on natural cotton .

Currently, more than 3,000 textile and knitwear enterprises operate across Uzbekistan. These include large companies such as Uztex, Textile Technologies Group, and Indorama, as well as numerous small and medium-sized private enterprises. In 2023, Uzbekistan's textile exports—including yarn, fabrics, and finished garments—generated over \$3 billion in revenue. Key export markets include Russia, Kazakhstan, China, Turkey, and European Union countries. Thus, Uzbekistan's textile industry stands as one of the most strategic and rapidly evolving sectors, significantly contributing to job creation and enhancing the country's export capacity . Its development is strongly rooted in the efficient processing of domestic raw cotton, with Uzbekistan consistently ranking among the world's top cotton-producing nations [2].

Degree of study of the problem. Various aspects related

to the development of innovations in the functioning and economic stability of textile and garment-knitwear enterprises have been explored in the scientific works of scholars such as O.M. Kulikova, Yu.P. Kozlova, N.A. Maksimova, A.S. Gorshkov, I. Ansoff, R. Bellman, P.F. Drucker, K.R. McConnell, S.L. Brue, R. Kaplan, T. Copeland, T. Koller, J. Schumpeter, and B. Ryan. Issues concerning the enhancement of energy efficiency in industrial technologies and equipment within textile enterprises have been addressed by P.V. Akulich, B.S. Sazhin, M.G. Pavlov, M.K. Kosheleva, Yao Xin-Chuan, M.L. Kuligin, N.M. Filimonova, and Yu.V. Kuznetsov. The challenges of expanding the product range in manufacturing enterprises and increasing the global competitiveness of their products have been examined by researchers such as A. Olabov, E.Kh. Makhmudov, D. Begov, M.I. Abdulaeva, Sh.T. Odinaev, A.A. Ayupov, E.A. Akramov, N.M. Makhmudov, Z.N. Gurbanov, M.A. Ikramov, M.A. Makhkamova, and A.U. Burkhanov, among other economists.

Materials and Methods / Материалы и методы

However, despite numerous studies focused on the management of industrial enterprises—particularly within the textile sector—modern management approaches and specific operational mechanisms tailored to textile enterprises remain insufficiently explored in the current academic literature.

This study employs a combination of fundamental and applied research methods to analyze the current state and development potential of the textile industry in Uzbekistan. Among the key methodological approaches used are systems analysis, target-oriented planning, and situational analysis. In addition, a SWOT analysis is applied as a strategic diagnostic tool to evaluate both the internal and external factors influencing the industry's performance. The SWOT analysis method is based on the identification of four key components: strengths, weaknesses, opportunities, and threats. This approach enables a structured assessment of an organization's internal capabilities and the external environment in which it operates. Specifically, it is used to identify the strengths of the organization's internal potential, reveal internal weaknesses that may hinder performance, determine opportunities presented by the external environment, and recognize threats that may negatively impact the firm [3].

After listing the internal strengths and weaknesses, as well as external opportunities and threats, relationships between these elements are systematically analyzed. This integrated approach facilitates the identification of strategic priorities, alignment of internal resources with

Table 1. / Таблица 1. SWOT-анализ / SWOT analysis

1	2	External environment of a textile enterprise (climate assessment)	
		3	4
		Opportunities (O)	Threats (T)
Internal environment (capability assessment)	Strengths (S)	square (SO)	square (ST)
	Weaknesses (W)	square (WO)	square (WT)



Table 2. / Таблица 2. SWOT analysis matrix overview / Обзор матрицы SWOT-анализа

1	2	Opportunities (O)		Threats (T)	
		3	4	5	5
		Government policy aimed at strengthening foreign economic relations and increasing the export potential of textile industry enterprises; Many years of experience of major spice producers; Increasing demand for products manufactured by the enterprise; Long-term relationships with key raw material suppliers.	Great attention is paid to the creation of high-tech production facilities; Implementation of competent management and marketing strategies to enhance the reputation and quality of textile enterprises; Continuous collection of information on raw material suppliers and ongoing analysis of processes in the material resources market.	Global market instability. Decrease in demand for the enterprise's products; Pressure from suppliers due to their monopolistic position in the market.	Increase in the number of entities organizing cash payments for material resources; Rise in transportation costs. Growing competition among developing countries for attracting foreign investment.
Strengths (S)	Many years of experience of major spice producers; Increasing demand for products manufactured by the enterprise; Long-term relationships with key raw material suppliers.	Established system for providing the enterprise with material resources. Continuous collection of information on raw material suppliers and ongoing analysis of processes in the material resources market.	Stability in the range of resources consumed.	A number of natural and geographical advantages, such as proximity to major transport routes.	Great potential of natural resources.
Weakness (W)	The inability of large textile enterprises to quickly adapt to changes in the external environment.	The widespread use of speculative schemes by enterprises to evade taxes at textile companies.	The continued existence of corrupt schemes.	Lack of qualified specialists with expertise in foreign economic activity and investment resources markets.	Investment activity of resident enterprises and the relative slowness of innovation processes occurring within them.

external conditions, and the development of practical recommendations aimed at ensuring sustainable growth and enhancing the competitiveness of the textile industry.

The SWOT matrix is constructed using two primary vectors: the external environment (represented on the horizontal axis) and the internal environment (represented on the vertical axis). Each vector is divided into two dimensions: the external environment includes opportunities and threats, while the internal environment consists of strengths and weaknesses. The intersection of these two vectors creates four strategic fields, or quadrants, that reflect different organizational scenarios.

The matrix generates the following strategic situations:

1. SO (Strengths–Opportunities): This is the most favorable quadrant. The organization possesses strong internal capabilities and is well-positioned to exploit external opportunities. In such a scenario, the firm can adopt an aggressive or growth-oriented strategy to maximize its competitive advantage and fully leverage favorable market conditions.

2. ST (Strengths–Threats): In this scenario, the organization has internal strengths but is exposed to significant external threats. Strategies in this field are typically aimed at using internal strengths to neutralize or

mitigate threats. This may involve defensive tactics or risk management strategies that preserve market position while avoiding exposure.

3. WO (Weaknesses–Opportunities): Here, the firm faces promising opportunities but lacks the internal capacity or resources to effectively pursue them. Management must evaluate whether it is feasible to capitalize on these opportunities given the existing weaknesses. If not, a developmental strategy should be implemented to enhance internal capabilities before attempting to exploit external possibilities.

4. WT (Weaknesses–Threats): This is the most critical and unfavorable situation. The organization is internally weak and simultaneously exposed to external threats. Immediate attention is required, and strategies in this quadrant focus on risk reduction, restructuring, or potential exit from vulnerable markets. Improving internal capabilities is essential to reduce long-term exposure and risk.

By analyzing these quadrants, managers can align internal resources with external conditions and select optimal strategies for sustainable development and competitive resilience.



Results / Результаты

Currently, Uzbekistan has developed a large and diversified textile industry. The sector contributes approximately 4.8% to the country's gross domestic product (GDP) and accounts for 25% of total industrial output. Additionally, it comprises 13% of the nation's fixed industrial assets. The textile industry is also a major source of employment, engaging around 32% of the country's industrial workforce. Analysis results show that the production volume of textile industry enterprises in Uzbekistan amounted to 10,839.5 billion soums in 2014, rising to 71,509.8 billion soums in 2023. This reflects a 6.6-fold increase over the nine-year period. Similarly, the volume of clothing production increased from 1,308.7 billion soums in 2014 to 23,087.8 billion soums in 2023, indicating an absolute growth of 21,779.1 billion soums. This substantial increase is primarily attributed to the rapid development of modern production facilities focused on the manufacture of high-value-added textile products, particularly finished garments.

Discussion / Обсуждение

The development of Uzbekistan's textile and garment industry has been significantly influenced by recent state policies and strategic reforms. Key among these are the Presidential Decree No. PF-158 («On the Strategy of Uzbekistan-2030,» dated September 11, 2023), Decree No. PF-2 («On measures to support the activities of cotton-textile clusters, radically reform the textile, clothing, and knitwear industry, and further increase the export potential,» dated January 10, 2023), and Decree No. PF-71 («On measures to bring the development of the textile, clothing, and knitwear industry to a new level,» dated May 1, 2024). These documents serve as strategic roadmaps aimed at modernizing the sector, promoting exports, and enhancing the overall industrial framework. To increase the efficiency of state regulation and improve management decisions regarding textile enterprises, it is essential to implement a comprehensive assessment system based on an integrated performance criterion. This study substantiates the broad prospects for development across various segments of the textile industry, taking into account sector-specific characteristics. For garment and knitwear enterprises, investment strategies should be designed around the principle that rational process management and optimal use of raw materials can increase production volumes, improve product quality, and raise labor productivity, even without expanding existing production capacity.

Effective management of investment activity in textile enterprises requires detailed studies on scientific, technical, economic, and organizational aspects of operations. Based on these findings, a supportive environment must be established for identifying and applying innovative management and production practices. In this context, it is advisable to clearly define the priorities and phases of innovation, aligned with the overarching goals of production modernization and technological re-equipment.

Conclusion Выводы / Inferences

In summary, Uzbekistan's textile industry has undergone

significant transformation in recent years, becoming one of the pivotal sectors of the national economy. The shift from a raw material-based model to one focused on the production of high value-added goods highlights the effectiveness of recent reforms and strategic initiatives. The marked increase in production volumes between 2014 and 2023 reflects the success of these targeted measures. While the SWOT analysis reveals a strong foundation for future growth, the industry still faces internal challenges, such as limited adaptability to rapid market changes, a shortage of skilled labor, and inefficiencies in management systems. Nonetheless, state-driven programs—particularly the «Uzbekistan-2030» Strategy and policies aimed at supporting cotton-textile clusters—offer a solid institutional base for further expansion of production and export capacity.

Moreover, the promotion of organic cotton cultivation and the alignment with global trends in sustainable and environmentally responsible production reflect the sector's commitment to international standards. To ensure continued progress, priority should be given to investing in human capital, adopting advanced production technologies, and developing transparent, effective management systems that foster innovation and long-term competitiveness.



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