УДК 330.115:67(575.1)
JEL D20; R58; R9

DEVELOPMENT OF LIGHT INDUSTRY BRANCHES IN UZBEKISTAN BASED ON VERTICAL INTEGRATION

РАЗВИТИЕ ФИЛИАЛОВ ЛЕГКОЙ ПРОМЫШЛЕННОСТИ В УЗБЕКИСТАНЕ НА ОСНОВЕ ВЕРТИКАЛЬНОЙ ИНТЕГРАЦИИ

©Муллабаев Б. Б.
Ташкентский государственный экономический университет
г. Ташкент, Узбекистан, mullaboev_b@mail.ru
©Mullabaev B.
Tashkent State University of Economics
Tashkent, Uzbekistan, mullaboev_b@mail.ru

Abstract. The textile industry takes leading positions in the economy of the Republic of Uzbekistan with sufficient raw material and qualified personnel and labour power. This network is developing rapidly, especially on the basis of the right policy pursued by the government. Cotton fibre grown in the country as the main raw material for the textile industry is important in this regard. The analysis shows that, while world–class scientists have discovered several different chemical fibres, cotton fibre is one of the world's leading natural resources and the demand for it is constantly increasing. In this sense, it is necessary to use the existing opportunities, apply new management methods, introduce modern standards and methods of corporate governance, and strengthen the role of shareholders in strategic management of enterprises.This article analyzes the growth of the volume of production of light industry sectors in the development of the economy of the Republic of Uzbekistan, and the author has developed a multidimensional forecast for the production of light industry products. My idea of the author, it is necessary to fully coordinate the production of light industry enterprises in the context of Uzbekistan in the context of the competitive environment in the market and to examine the factors of their socioeconomic efficiency by utilizing modern strategies based on the improvement of vertical integration.

Аннотация. Текстильная промышленность занимает лидирующие позиции в экономике Республики Узбекистан с достаточным сырьем, квалифицированным персоналом и рабочей силой. Эта сеть развивается быстро, особенно на основе правильной политики, проводимой правительством. Важным в этом отношении является хлопковое волокно, выращенное в стране в качестве основного сырья для текстильной промышленности. Анализ показывает, что, хотя ученые мирового уровня обнаружили несколько различных химических волокон, хлопковое волокно является одним из ведущих мировых природных ресурсов, и спрос на него постоянно растет. В этом смысле необходимо использовать существующие возможности, применять новые методы управления, внедрять современные стандарты и методы корпоративного управления и укреплять роль акционеров в стратегическом управлении предприятиями. В этой статье анализируется рост объема производства легкой промышленности в развитии экономики Республики Узбекистан, а автор разработал многомерный прогноз для производства продукции легкой промышленности. По мнению автора необходимо полностью координировать производство предприятий легкой промышленности в Узбекистане в контексте конкурентной среды на рынке и изучать

факторы их социально-экономической эффективности за счет использования современных стратегий, основанных на улучшении вертикальной интеграции.

Keywords: vertical integration, light industry, standard, strategy, competitiveness, correlation, regression.

Ключевые слова: вертикальная интеграция, легкая промышленность, стандарт, стратегия, конкурентоспособность, корреляция, регрессия.

Introduction

The President of the Republic of Uzbekistan hosannahs strategy for further development of the Republic of Uzbekistan (1) the following decree:

–further modernization and diversification of industrial high–tech processing sectors, first of all, to a qualitatively new level aimed at accelerated development of production with high added value on the basis of deep processing of local raw resources;

–Implementation of investment projects for construction, reconstruction and modernization of new processing enterprises, equipped with the latest high tech equipment for the production of semi–finished products and finished products as well as packaging products for deep processing of agricultural products;

–tasks on further development of infrastructure for storage, transportation and sale of agricultural products, agrochemical, financial and other modern market services.

Literature review

A number of scientific studies have been undertaken to improve the competitiveness of light industry, improve productivity, and investigate existing problems, W. Cline [1], P. Doeringer, S. Crean [2], K. G. Dickerson [3], H. K. Nordas [4], S. Verma [5], L. Juyoung [6], E. Evgeniev [7] A. I. Statsura [8], K. Yu. Filyukov [9], I. V. Prazyan [10], T. I. Fradina [11] the local researchers in the field of research, foreign experience in establishing and implementing the Republic of Uzbekistan in line with the specific features of the regions, I. I. Iskanderov [12], S. S. Gulyamov [13], N. Makhmudov [14], M. R. Boltaboev [15]. They conducted scientific researches.

Analyze and results

The main direction of providing the economy of the Republic of Uzbekistan to the developed countries is the achievement of a greater share of industrial production in gross domestic product. In this case, the country, which owns industrial enterprises based on production of competitive goods, can quickly integrate into the world community, in a timely manner to adapt to changes in supply and demand in the local and world markets. According to the preliminary statistical data provided in the Republic of Uzbekistan in 2016, 5498 enterprises operating in the textile sector are independent small businesses and 275 enterprises of Uzbekyengilsanoat. This, in turn, has resulted in an increase in the share of nonfoods, garments, leather and related products in the structure of industrial products.

Table 1 shows that in the development of the economy of the Republic of Uzbekistan, the growth of the volume of production in the industrial sector is of great importance and in 2016 it increased by 3.24 times compared with 2010 and amounted to 111869.4 billion soums. soums. Thus, the volume of light industry output in 2016 has grown by 3.97 times in comparison with 2010 and amounted to 18206.4 billion soums. In the textile sector, the volume of production in 2016 amounted to 9030.4 billion soums. soums, which is 2.22 times more than in 2000.

Table 1.

DYNAMICS OF LIGHT INDUSTRY AND TEXTILE PRODUCTS IN INDUSTRIAL PRODUCTION OF TURKEY (BILLIONS SOUMS)

Indicators	*2010*	*2012*	*2014*	*2016*	*Change from 2016 to 2010*
Total industry products	34499.1	51059.3	75194.2	111869.4	3.24 times
From this:					
Light industry products	4588.4	6586.7	13802.5	18206.4	3.97 times
Textile products	4071	5565.5	7820.2	9030.4	2.22 times

Source: State Statistics Committee of Uzbekistan

The key to achieving such a positive result is that qualitative changes in the industry indicate the effectiveness of the implementation of the tasks set out in the Measures to ensure the structural adjustment, modernization and diversification of production in the Republic of Uzbekistan for 2015–2019. In particular, high growth rates of industrial production in the sectors of production of goods based on deep processing of raw resources were noted.

In the production of light industry mainly in the supply of raw cotton and its processing, the cotton fiber is also important in the employment of this population. In the early years of independence, cotton fiber was exported. Currently, 44% of cotton fiber is processed and it is projected to reach 70% by 2020. In this regard, it is desirable to forecast correlation analysis with a number of factors affecting the growth of the output of light industry industries.

Table 2.

DYNAMICS OF INDICATORS AFFECTING THE VOLUME OF PRODUCTION OF LIGHT INDUSTRY IN THE REPUBLIC OF UZBEKISTAN

№	*Indicators*	*2010*	*2012*	*2014*	*2016*
1.	Light industry products, Y	4588.4	6586.7	13802.5	1141190.4
2.	Cotton fiber, thousand tons, X_1	1118.5	1077.8	1095.5	1101.4
3	The number of light industry enterprises employs a thousand people, X_2	147.9	149.1	145.5	154.7
5.	Investments into light industry enterprises, bln. soums, X_3	391.0	670.6	909.4	1482.8

Source: State Statistics Committee of Uzbekistan

Using the data in Table 2 we will define the intensity of the selected factors. According to the results of correlation analysis, the change in the total volume of light industry output was due to the fact that the volumes of cotton fiber (−0.07699279) are strongly correlated (0.516537963) and investment in light industry enterprises (0.961365169) was detected.

According to this certainty, when R = 1,

$$Y=3458,45+4,98\times X_1-0,62\times X_2+3,714\times X_3 \quad (1)$$

it is possible to create a regression equation representing the change in the volume of light industry products. According to the model, it is possible to increase the production of light industry

by increasing the volume of cotton fiber X_1, the investment in light industry — the size of X_3, and in the present case light industry enterprises can not increase the X_2 saturation. Now, a regression equation, representing the time–varying factors of each selected exogenous variable:

$$R = 0{,}987\ when \qquad X_1 = 275{,}3 * t; \tag{2}$$

$$R = 0{,}975\ when \qquad X_2 = 38{,}68 * t; \tag{3}$$

$$R = 0{,}989\ when \qquad X_3 = 334{,}4 * t; \tag{4}$$

Using predetermined regression equations, we will define the outcome of the resulting factor depending on other factors. The calculation results are summarized in Table 3 below.

Table 3.

MULTI–FACTOR FORECAST OF PRODUCTION OF LIGHT INDUSTRY IN THE REPUBLIC OF UZBEKISTAN

Indicators	*Manufacture of light industry products, bln sum, Y*	*Cotton fiber, thousand tons, X_1*	*Number of enterprises in light industry, thousand people, X_2*	*Investment in light industry enterprises, bln X_3*
2017	16403.3	1376.5	193.4	1672
2018	18992.3	1651.8	232.1	2006.4
2019	21581.3	1927.1	270.8	2340.8
2020	24170.2	2202.4	309.4	2675.2
2021	26759.2	2477.7	348.1	3009.6

Source: author's work on the basis of data from the State Committee on Statistics of Uzbekistan

According to the data provided in Table 3, the total volume of light industry output in 2016 amounted to 14.354 billion soums. By 2021, the figure was 12,404.6 billion soums. and 26759.2 billion soums. UZS will reach UZS 2 billion.

According to the results, in 2021 cotton fiber increased by 2477.7 thousand tons, light industry enterprises — 348.1 and investment volume — 3009.6 billion. At the same time, It should be noted that in the period up to 2021, it is necessary to increase the number of light industry enterprises, which, in turn, will increase the number of employees.

Conclusion

Based on the results, the increase in the volume of production and competitiveness of light industry in the Republic of Uzbekistan will be achieved mainly by improving the innovative activity of enterprises. For this purpose, it is necessary to develop vertical integration between enterprises, to develop and use modern strategies.

For this reason, it is desirable to upgrade the vertical integration strategy and to adopt a modern approach that is consistent with economic reforms that incorporate a strategy of vertical integration into industrial enterprises' innovation activities, taking into account the economic development of domestic industrial enterprises. There are a number of tasks involved, including:

–setting up innovation management mechanisms for industrial enterprises in the context of structural transformations in the economy;

–Development of theoretical–methodological and practical aspects of innovation management in enterprises;

–Identify the essence and principles of the vertical integration process in enterprise management;

–To explore the nature of the vertical integrated structures in the implementation of innovations through innovation processes;

–developing a technique for evaluating the effectiveness of innovative activity management in the context of structural transformations in the economy;

–It is necessary to develop a vertical integration strategy in the management of industrial enterprises' innovation activities.

Implementation of the above tasks will result in improvement of economic cooperation relations between light industry sectors, reduction of expenses and, most importantly, innovation activity in enterprises.

Sources:

(1).The President of the Republic of Uzbekistan Sh.Mirziyoev On the strategy of action for the further development of the Republic of Uzbekistan. February 7, 2017 PF-4947- number Decree // People's word February 8, 2017 28 (6722)- number.

References:

1. Cline, W. (1992). The future of international trade in textiles and apparel. Washington, Institute for International Economics
2. Doeringer, P., & Crean, S. (2006). Can fast fashion save the US apparel industry? *Socio-Economic Review,* 4, (3), 353-377
3. Dickerson, K. G. (1999). Textiles and apparel in the global economy (3rd Edition). Englewood Cliffts, Prentice-Hall
4. Nordas, H. K. (2004). The global textile and clothing industry post the agreement on textiles and clothing. *World and I,* 7, (1)
5. Verma, S. (2002). Export competitiveness of Indian textile and garment industry. *Indian Council for Research on International Economic Relations. Working paper*. *94*
6. Juyoung, L. (2013) Competitiveness of textile and apparel industries in the United States and Japan. Iowa State University. Digital Repository @ Iowa State University. Graduate Theses and Dissertations
7. Evgeniev, E. (2006). Industrial and Firm Upgrading in the European Periphery: The Textile and Apparel Industry in Turkey and Bulgaria. Budapest. Central European University
8. Statsura, A. I. (2009). Formation and development of competitiveness of the entrepreneurial structure in the textile products market. Thesis for the degree of candidate of economic sciences. St. Petersburg, 138
9. Filyukov, K. Yu. (2010). Development of a mechanism to manage the competitiveness of light industry enterprises on the basis of improving methodological approaches to its assessment and regulation. Theses for the degree of Candidate of Economic Sciences. St. Petersburg, 174
10. Prazyan, I. V. (2007). Marketing support of the competitiveness of light industry enterprises. Theses for the degree of Candidate of Economic Sciences. Volgograd, 159
11. Fradina, T. I. (2010). Methodology and methods for managing the competitiveness of light industry enterprises in the context of economic globalization. Dissertation for the degree of Doctor of Economic Sciences. St. Petersburg, 361
12. Iskanderov, I. I. (1969). Economic problems of development of the textile industry in Uzbekistan. Tashkent, Fan.

13. Gulyamov, S. S. (2013). Production management. Tashkent
14. Makhmudov, N. (2008). Directions of ensuring balanced development of the light industry in Uzbekistan. *Theoretical bases of education of balance and balance between the structural components of the economy. Republican Conference TDIU*
15. Boltaboev, M. R. (2004). Marketing Strategy in Textile Industry. Tashkent, Fan

Список литературы:

1. Cline W. The future of international trade in textiles and apparel. Washington: Institute for International Economics, 1992.
2. Doeringer P., Crean S. Can fast fashion save the US apparel industry? // Socio-Economic Review. 2006. V. 4. №3. P. 353.
3. Dickerson K. G. Textiles and apparel in the global economy (3rd Edition). Englewood Cliffts: Prentice-Hall, 1999.
4. Nordas H. K. The global textile and clothing industry post the agreement on textiles and clothing // World and I. 2004. V. 7. №1.
5. Verma S. Export competitiveness of Indian textile and garment industry // Indian Council for Research on International Economic Relations. Working paper. 2002. № 94.
6. Juyoung L. Competitiveness of textile and apparel industries in the United States and Japan. Iowa State University. Digital Repository @ Iowa State University. Graduate Theses and Dissertations. 2013.
7. Evgeniev E. Industrial and Firm Upgrading in the European Periphery: The Textile and Apparel Industry in Turkey and Bulgaria. Budapest: Central European University, 2006.
8. Стацура А. И. Формирование и развитие конкурентоспособности предпринимательской структуры на рынке текстильной продукции: дисс. ... канд. экон. наук. Санкт-Петербург, 2009. 138 с.
9. Филюков К. Ю. Разработка механизма управления конкурентоспособностью предприятий легкой промышленности на основе совершенствования методологических подходов к ее оценке и регулированию: дисс. ... канд. экон. наук. Санкт-Петербург, 2010. 174 с.
10. Празян И. В. Маркетинговое обеспечение конкурентоспособности предприятий легкой промышленности: дисс. канд. экон. наук. Волгоград, 2007. 159 с.
11. Фрадина Т. И. Методология и методы управления конкурентоспособностью предприятий легкой промышленности в условиях глобализации экономики: дисс. ... д-ра экон. наук. Санкт-Петербург, 2010. 361 с.
12. Искандеров И. И. Экономические проблемы развития текстильной промышленности в Узбекистане. Ташкент: Фан, 1969.
13. Гулямов С. С. Управление производством. Ташкент, 2013
14. Махмудов Н. Направления обеспечения сбалансированного развития легкой промышленности в Узбекистане // Республиканская конференция TDIU «Теоретические основы баланса образования и баланса между структурными компонентами экономики». 2008.
15. Болтабоев М. Р. Маркетинговая стратегия в текстильной промышленности. Ташкент: Фан, 2004.

Работа поступила
в редакцию 11.09.2017 г.

Принята к публикации
14.09.2017 г.

Ссылка для цитирования:
Mullabaev B. Development of light industry branches in Uzbekistan based on vertical integration // Бюллетень науки и практики. Электрон. журн. 2017. №10 (23). С. 178-184. Режим доступа: http://www.bulletennauki.com/mullabaev (дата обращения 15.10.2017).

Cite as (APA):
Mullabaev, B. (2017). Development of light industry branches in Uzbekistan based on vertical integration. *Bulletin of Science and Practice*, (10), 178-184