

The Economic Significance of Textile Industry Competitive Strategy in the Case of Uzbekistan

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Abstract: The significance of the textile sector to the economy is emphasized in this article, with particular attention paid to its impact on GDP, imports, exports, and employment levels. To sustain and enhance their market position and boost the competitiveness of the global textile sector, textile firms need to have robust strategies in place. methods were examined. and chances to develop competitive strategies centered on modern subjects like innovation, market analysis, supply chain management, and operational performance metrics have taken into account.

Key words: Competitive strategy, textile sector, creative thinking, effective operations, marketing plans, international market expansion, industry norms, and financial trends.

INTRODUCTION.

To secure long-term growth and stability in an industry marked by fierce worldwide competition and quick technological advancements, textile businesses must now develop a competitive strategy in macroeconomic processes. With the significance of the textile sector, particularly for the economies of developing nations, strategic planning plays a bigger role in preserving competitive advantage.

The textile business has had numerous difficulties recently, such as the unpredictability of raw material pricing, stringent environmental protection laws, and the requirement to quickly adjust to shifting consumer tastes. To become more competitive, these challenges are causing textile companies to reconsider their established business plans and embrace cutting-edge techniques [1,2].

The study's findings highlight the significance of sustainable textile production in reducing its negative environmental effects [3,4], the role that consumer behavior plays in driving up demand and influencing the sustainability of raw materials [5,6], and the emerging technological challenges associated with digital textile printing.

Constant innovation to satisfy consumer needs [7,8]. underlines the necessity of governmental action to help small and medium-sized textile companies get out of financial binds and increase their access to markets [9,10].

A thorough examination of both internal organizational capabilities and external market conditions is necessary for a competitive strategy to be successful [11,12]. These strategies encompass a range of components, including differentiation, cost leadership, and competitive strategies, all of which are intended to maximize a company's distinct advantages and minimize its disadvantages [13,14,15].

Maintaining competitiveness requires the business to adapt to external changes, and obtaining high efficiency and competitive advantages requires the use of operational, inventive, quality, marketing, financial, and organizational strategies [16,17]. It highlights the necessity for textile businesses to create competitive strategies that are flexible enough to adjust to a changing market [18].

Through showcasing their capabilities, embracing technological advancements, and comprehending market dynamics, textile businesses will not only endure, but also thrive in a fiercely competitive global marketplace.

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According to the results of the scientists' research, the internal factors affecting the textile industry, including the obsolescence of machinery technology, dependence on imported machinery, imported cotton raw materials, insufficient auxiliary materials such as dyes, lack of qualified personnel resources, limited, insufficient support from the bank in lending working capital, wasted energy, etc. were highlighted.

Literature Review.

In recent times, a growing number of scientists, both domestic and international, have made the development of the textile industry's competitive strategy their primary priority. Research indicates that the optimization of textile firms' exports has resulted in notable improvements to the macroeconomic indices of the nation.

Developing an effective competitive strategy requires an understanding of competitive strategy, as well as price dynamics, product and service monitoring, and competitive advantage and disadvantage identification [19,20,21]. Businesses can strengthen their competitive position and sustain long-term success by employing a variety of strategic methods and matching internal capabilities with external market demands [22,23]. It includes a number of elements, including competitive strategies, cost leadership, and differentiation, all of which are designed to maximize a firm's net advantages while minimizing its disadvantages.

Including cutting-edge technologies like automation, digitization, and sustainable practices has become essential to developing competitive strategies [24, 25]. Textile businesses can boost productivity, save waste, and enhance product quality by implementing Industry 4.0 concepts, which include artificial intelligence and big data analysis.

The formulation of a competitive strategy for textile firms in the national economy, according to economists Nguempi Tsafack Elvis and others, entails seizing chances and resolving a range of industry-related problems. The textile sector can become much more competitive by implementing strategies that focus on weaknesses and opportunities (WO), such as the SWOT-AHP strategy, according to scientists [26].

The growth of the textile sector is dependent on state assistance for R&D development, market information sharing, export facilitation, and alternative finance sources, according to studies by foreign scientists Ming, T. C. [27]. Asian economists Sugeng et al. claim that in order to address issues with infrastructure, human resource quality, and financial accessibility in the textile sector, regulatory assistance and strategic approaches are required [28].

Scientists in CIS Yu.D. According to Labenskaya and Maksym Ivanov, market segmentation, innovation, communication strategy, and an emphasis on building long-term client connections are among the industrial marketing techniques that aid in boosting productivity and success in textile businesses [29].

Additionally, international economists Sergei Grigorievich Radko and colleagues claimed that fostering innovative activities and forming integrated associations can boost productivity, advance technology, raise consumer demand for textile products, and strengthen the industry's competitive edge [30].

Research methodology.

The research employed a variety of techniques, including empirical analysis, grouping, comparison, retrospective and prospective analysis, and scientific abstraction. The paper used the scientific abstraction approach to support the need and economic significance of designing a competitive strategy for textile firms. Additionally, it identified technological advancements, sustainability imperatives, innovation and supporting frameworks, and produced emission models to develop competitive strategies in the textile industry. These strategies were based on economic analysis methods.



ANALYSIS AND RESULTS.

The textile sector is an important component of the economy of many countries, contributing significantly to GDP, employment, and export earnings. Today, the textile industry is the cornerstone of the global economy, intricately woven into the fabric of international trade, employment and technological progress.

The development of competitive strategies for textile enterprises is important to significantly increase global competitiveness, create employment opportunities and improve the skills of the workforce. In addition to improving the performance and sustainability of textile enterprises, these strategies contribute to greater economic growth and stability.

Market diversification is another key strategy in the textile industry. Foreign practice shows that by entering developing markets and expanding the range of products, textile enterprises can mitigate the risks associated with market volatility and changes in demand. Diversified markets and products provide a stable income stream and increase resilience to economic downturns in certain areas. In addition, a strong brand identity and strategic marketing differentiate companies from their competitors and attract and retain a loyal customer base.

the development of competitive strategies for textile enterprises is of great economic importance. By enhancing global competitiveness, creating employment opportunities, and improving workforce skills, these strategies contribute to the industry's growth and resilience. The broader economic implications underscore the significance of strategic development, positioning the textile industry as a pivotal player in the global economy's future.

Furthermore, the emphasis on sustainable practices can lead to the creation of green jobs. As the industry shifts towards eco-friendly production methods, there is a growing demand for professionals skilled in sustainable technologies and practices.

The ripple effects of competitive strategies in the textile industry extend beyond individual enterprises. Increasing competitiveness at the international level contributes to the country's export earnings and strengthens its economy.

Increased employment opportunities will alleviate poverty and improve living standards, especially in developing regions where the textile industry is a major economic driver. A focus on sustainable practices supports environmental protection efforts, encouraging a balanced approach to industrial growth.

The development of competitive strategies for textile enterprises is of great economic importance. It will increase global competitiveness, create employment and improve skills. It also encourages technological innovation and supports sustainable practices while contributing to economic sustainability through diversification. Below is the multifaceted economic importance of developing competitive strategies for the textile industry (see Figure 1).





Figure 1. Economic importance of competitive strategies of the textile industry³

According to Figure 1 above, one of the main economic benefits of developing competitive strategies for textile enterprises is to increase global competitiveness. By adopting advanced technologies, improving operational efficiency and focusing on innovation, textile enterprises can produce high-quality products at low prices. Such an ability to compete effectively on a global scale increases export earnings, reduces the trade deficit and improves the country's economic position.

Also, a competitive textile industry will attract foreign investment, further stimulate economic growth and technological transfer. Employment and training The textile industry is labor intensive and is a major source of employment, especially in developing countries.

Developing competitive strategies often involves investing in new technologies and processes, which require training and upskilling of the workforce. Investments in human capital not only improve productivity, but also increase the overall skill level of the workforce.

As a result, higher employment rates and better-paying jobs improve living standards and reduce poverty. In addition, a skilled workforce attracts more investment and creates a virtuous cycle of growth and development.

A key component of the competitive strategy in the textile industry is product diversification. By expanding product lines to include technical textiles, smart textiles and high-performance fabrics, businesses can tap into new and emerging markets. This diversification reduces reliance on traditional markets and provides a buffer against economic downturns in any sector.

³ Developed by the author.



Economic resilience is further enhanced by developing strong local supply chains, which reduce the risks associated with global supply chain disruptions, such as those witnessed during the COVID-19 pandemic. Investing in technological innovation and sustainability in the textile industry is essential to maintain competitiveness. Advanced manufacturing techniques, automation and digitization increase efficiency, reduce waste and lower production costs.

Sustainable practices such as using eco-friendly materials and reducing water and energy consumption not only comply with environmental regulations, but also meet the growing consumer demand for green products. These innovations not only help increase the profitability and competitiveness of textile enterprises, but also have a positive impact on the wider economy, including the development of related industries and the reduction of environmental degradation.

A well-designed competitive strategy can help textile enterprises establish a strong brand presence in international markets. High-quality, innovative and sustainable products contribute to a positive image of the national brand, which can bring large-scale economic benefits. A strong national brand attracts tourists, increases the volume of exports in various sectors, and increases the reputation of the country as a reliable trading partner.

Consequently, this improved market positioning can lead to increased foreign direct investment and the development of strategic international partnerships. The development of competitive strategies for textile enterprises is of great economic importance. This process increases global competitiveness, creates employment and promotes skills development. At the same time, it contributes to economic stability through diversification, encourages technological innovation and supports sustainable practices. A new tool to help textile companies evaluate and choose sustainable competitive strategies is sustainable textile production (see Figure 2).



Figure 2. Competitive strategies of sustainable textile enterprises.⁴

⁴ Developed by the author.

The textile industry is characterized by a dynamic and competitive strategy, and various important aspects affect the choice and sustainability of competitive tactics. Safety, quality control, social responsibility and environmental issues are important. These elements not only determine the strategic path of textile companies, but also affect their long-term market survival and reputation. In the textile sector, environmental sustainability is rapidly developing as a key component of competitive strategy. The procedures used in the production of textiles are resource-intensive and often require large amounts of energy, water and chemicals. The environmental impact of these processes increases government control and consumer demand for environmentally friendly products.

Resource efficiency can be achieved through strategies that emphasize reducing production costs and environmental footprints by recycling waste, using renewable energy sources, and using less water and energy. This not only meets legal requirements, but also appeals to environmentally conscious customers.

Sustainable Materials In the textile industry, incorporating sustainable materials such as organic cotton, recycled fibers, and biodegradable dyes can differentiate a company's products in the marketplace. This is in line with the growing trend towards sustainable fashion and may drive higher prices in the economy. Another important consideration in the textile industry is safety, which includes environmental, worker and product safety. Adherence to strict safety regulations can reduce risks, increase production and improve company reputation.

Workplace accidents and health problems can be prevented by establishing strict safety procedures and offering appropriate training. A safe work environment increases employee morale and increases productivity and product quality. It is very important to make sure that the goods comply with safety regulations and do not contain dangerous components. This minimizes the potential for recalls and legal ramifications while protecting customers at the same time.

The quality reputation of textile enterprises can be improved by obtaining ISO standard certificates. These guidelines ensure that business procedures comply with global quality management standards. Increasing customer happiness through superior quality is essential to generating positive word of mouth and repeat business. Customers who are happy with a brand are more likely to recommend it, which helps drive growth. Also, ethical labor practices, community involvement, and broader social impact are all part of social responsibility. Prioritizing social responsibility helps businesses strengthen their relationships with stakeholders and improve their brand perception. As a result, it is essential to provide fair wages, manageable work schedules, and a comfortable work environment. Ethical business practices increase the reputation of textile enterprises with investors and customers, while reducing the likelihood of labor disputes. Environmental protection, safety, quality management and social responsibility deeply influence the selection and sustainability of competitive strategies in textile enterprises. By integrating these factors into their strategic framework, textile companies can not only comply with regulatory requirements and satisfy consumer demands, but also improve their market position and ensure long-term sustainability. In an industry characterized by intense competition and rapid change, these factors are essential to building strong, responsible and successful enterprises.

CONCLUSION.

According to the research, the following proposals and recommendations were developed as a result of the analyzes and conclusions on the development of the competitive strategy of textile enterprises in the national economy.

1. Development of strong competitive strategies increases the global competitiveness of textile enterprises. By applying advanced technologies, optimizing production processes and focusing on innovation, textile enterprises can produce high-quality products at competitive prices. This will increase export earnings, reduce the trade deficit and strengthen the global influence of the national economy. Attracting foreign investment, economic growth and technological transfer will lead to further incentives



2. The textile industry is the main source of employment, especially in developing countries. Competitive strategies often involve investments in new technologies and processes, which require training and upskilling of the workforce. This investment will not only increase productivity, but also increase the overall skill level of the workforce. High employment rates and well-paid jobs improve living standards and reduce poverty, contributing to social stability and economic growth.
3. Product diversification is an important aspect of competitive strategy. By expanding into new and emerging markets such as technical textiles and high-performance fabrics, textile enterprises reduce their dependence on traditional markets and increase economic sustainability. Healthy local supply chains further mitigate the risks associated with global disruptions, ensure a stable supply of data, and drive industrial growth.
4. Investing in technological innovation and sustainability is critical to maintaining competitiveness. Advanced manufacturing techniques, automation and digitization increase efficiency, reduce waste and lower production costs. Sustainable practices such as using environmentally friendly materials and reducing environmental impact meet regulatory requirements and consumer demands. These innovations increase profitability and competitiveness, while benefiting the wider economy through industrial development and environmental protection.
5. Policies and incentives supported by the state play a decisive role in the formation of competitive strategies of textile enterprises. Policies that offer tax breaks, subsidies for technology adoption, and support for research and development will increase the competitiveness of the sector. Government initiatives aimed at improving infrastructure, facilitating access to finance and promoting exports create a favorable environment for growth. Strategic alignment of economic policy with the needs of the textile industry will ensure that the industry contributes to national economic goals to the maximum extent possible.

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