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## In the Deepening of Structural Changes in Uzbekistantendencies for the Development of Foreign Economic Relations of Los Gigantes Textiles

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**Annotation:** This article discusses the expansion of foreign economic relations in the early years, the development and promotion of foreign economic relations of the republic, the creation of a legal framework for the liberalization of all foreign economic activity and the adoption of basic legislation, the implementation of foreign economic relations. completion Comprehensive analysis of foreign economic relations in the context of deepening structural changes in Uzbekistan.

**Keywords:** profitability, import, export, product.

**Introduction:** The foreign economic activity of our national economy is rapidly developing and becoming more competitive. Export has become the most important direction of enterprise activity, a criterion for evaluating the development results of our entire economy.

Today, almost most of our branches and enterprises are fully involved in foreign economic activities and actively exploit foreign markets. At the meeting of the Cabinet of Ministers of the Republic of Uzbekistan on the results of the social and economic development of the country in 2019 and the most important priorities for deepening economic reforms in 2020, a total of 7.7 billion was spent on the international industrial fairs held on the territory of Uzbekistan in 2019. The contracts concluded by the enterprises in the regions of our country on the export of dollar products have been implemented. In Russia, Kazakhstan, Turkmenistan, Ukraine and the Republic of Belarus, as well as in other countries, the work started on the search for new markets for product sales is being continued more actively.

Analysis: "Uzstandarteksport" and "Uzsanoatexport" joint-stock companies, as well as the "Support for the export of small business and private entrepreneurship" fund under the National Bank, are related to the export of small business private entrepreneurship entities. Such an increase in the volume of exports, which is the basis of foreign economic activity of the Republic of Uzbekistan, is not due to the supply of traditional resources for us, such as cotton fiber, precious metals and various raw materials, but mainly cars, petrochemical and metal products, mineral fertilizers, yarn and yarn. This is confirmed by the fact that the share of finished products and services in the volume of exports has increased, while the share of cotton fiber has significantly decreased.[1]

In order to prevent these situations, we will analyze the activity of the enterprise in the form of "Los Gigantes Textiles" LLC in the Fergana region. "Los Gigantes Textiles" enterprise of Buvaida district of Fergana region was registered by the Ministry of Justice of the Republic based on the testimony N749 of 2008. On January 15, 2011, "Los Gigantes Textiles" LLC was re-registered with the state registration number N112. On January 25, 2016, it was re-registered under the number N112-1 of the Buvaida district administration of Fergana region, and its main activity is the production of kalava yarn from cotton fiber.

The total land area is 6.2 ha, of which the construction area is 2.5 ha. The annual production capacity of the enterprise is 3600 tons. Currently, 184 employees are making cocktails at the enterprise. Several indicators are also important in the analysis of the foreign economic activity of this enterprise.

In particular, the composition and structure of personnel depends on the size and smallness of the enterprise (firm), its technical and technological equipment, the level of knowledge and science of employees, work skills, the development of cooperative relations in the industry, and a number of other characteristics. Therefore, we will analyze the indicators affecting the external economic activity of the company we are analyzing (Table 1).

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Table 1. Analysis of the distribution of workers and employees in the enterprise in the form of "Los Gigantes Textiles" LLC [5] (2020)

DEPARTMENTS	Arrival and departure of employees at the beginning of 1 month		Working day and working hours of employees at the end of 1 month			
	Number of workers	Came to work	Left work	Number of workers	Came to work	Left work
Administration	20	0	0	20	25	*8=200
Electricians and operators	8	0	0	8	15	*21=315
Day shop workers	18	0	1	17	25	*8=200
Chefs and luggage lowerers,	20	1	1	20	15	*21=315
guards	38	4	0	42	25	*8=200
	38	1	0	39	25	*8=200
1st shift	38	2	2	38	25	*8=200
2nd shift	0	0	0	0	0	0
3rd shift	180	9	4	184	155	1630

As can be seen from Table 1, the total number of workers at the "Los Gigantes Textiles" enterprise was 180 per month, and by the end of the month it was 184.

The enterprise operates in 3 shifts, and 42, 39, 38 workers work in all of them. So, if the activities of these workers in the production of products are properly organized, if there are no interruptions in working hours, the products will be produced according to the plan, and the level of the export indicator of the external economic activity of the enterprise will show a positive result.[3]

The external economic activity of the enterprise is directly affected by indicators such as the qualification level of the enterprise's employees, the age structure, the level of dissatisfaction of the employees, and the production of products.

Let's analyze the composition of the employees of the enterprise "Los Gigantes Textiles" (table 2).

Table 2. The structure of the employees of the enterprise in the form of "Los Gigantes Textiles" LLC analysis [5] (2019-2020)

Indicators	2019	2020	The difference
			(+,-)
The number of employees taken to calculate the average salary	160	176	16
Including women:	117	112	-5
The total salary fund for employees (thousand soums)	1328021	1361155	33134
Employees hired during the reporting year	12	14	2
The number of employees who worked in the reporting year	4	6	2
At his discretion	2	3	1
About the education of employees: people with higher education	4	6	2
People with secondary education	35	46	11
By age of employees:			
under 18 years of age	0	0	0
18-29 years old	33	55	22
30-39 years old	35	48	13
40-49 years old	29	43	14
50-54 years old	26	30	4
Over 55 years old	6	2	-4

According to the data in Table 2, the number of employees in Los Gigantes Textiles is 16 more in 2020 than in 2019, and the number of management employees remains unchanged. According to the plan, in 2020 it was expected that there would be 176 employees. In the reporting year, this indicator was fully fulfilled with a surplus. Most of the company's employees are middle-aged, i.e. employees aged 30-39, 4049, 50-54. This, in turn, shows that the capacity of employees is sufficient for the adequate use of cocktail resources, and it can have a direct positive effect on the production of quality products and the increase of export potential.

The direct labor productivity indicator has its place in the development of the external economic activity of the enterprise, we will analyze the level of the labor productivity indicator for the activity of the enterprise "Los Gigantes Textiles" under analysis [2] (Table 3).

Table 3. Analysis of the level of labor productivity of the enterprise in the form of "Los Gigantes Textiles" LLC [5]

Indicator	2019	2020	The difference	Growth
Product (thousand soums)	18107466.0	18808164.0	700698	3,9
Number of workers	168	184	16	9,5
The volume of production per worker	107782,54	102218,3	-5564,24	0,94
is one thousand soums				

As can be seen from the data of Table 3, the production volume of Los Gigantes Textiles in 2020 increased by 700,698 compared to 2019. Its growth was 3.9 percent. The number of employees in 2019 was 168, and in 2020, this figure is 184. So, the figure of growth is 16, and the percentage is 9.5%. Although the output per worker was 107782.54 in 2019, it is 102218.3 in 2020.

So, if we consider why the volume of product production has decreased, we can see that the number of workers in the enterprise has increased in 2020 compared to 2019, and the volume of product production per worker has decreased compared to last year, and we can observe that there are interruptions in the organization of employees' qualifications and working hours. it is possible and we must eliminate these shortcomings (tables 4, 5).

From the data in Table 4, we can see that there are losses due to a number of wastes in the production process of kalava yarn. The total amount of these is equal to 58936602.4 thousand. This amount will allow the introduction of ways of more economical use of raw materials in the enterprise.

Table 4. Amount of cotton fiber consumption and waste for the production of kalava yarn of the "Los Gigantes Textiles" LLC enterprise [5]

N₂	Name	%	kg	price	amount
1	Cotton fiber	100,00%	3 125	9 430,00	29 468 750
2	Thread and yarn output	80,00%	2 500	11 352,26	28 380 650
3	Cotton waste st №3	3,53%	110	2 000,00	220 000
4	Cotton waste st №7	3,30%	103	2 200,00	226 600
5	Cotton waste st №-8	4,10%	128	2 500,00	320 000
6	Cotton waste st №9	2,12%	66	2 000,00	132 000
7	Cotton waste st №-10	1,60%	50	1 624,01	81 201,5
8	Cotton waste st №-11	2,10%	66	1 624,01	107184,66
9	Invisible waste	3,25%	102	2,12	316,24
	Total:				58936602,4

From the data of Table 5, we can see that the production cost of one piece of kalava yarn is 12940.60 soums, while the price of the product is 14351.47 soums. The amount of profit is 1410.87 soums. We have analyzed the volume of production and sales price of the enterprise, now we will analyze the export and import capacity of the enterprise.

Therefore, we consider it appropriate to comprehensively research the export potential as one of its elements in relation to the general potential of the enterprise in the study of the export potential of the industrial enterprise. From this point of view, it is important to consider the export potential in the context of economic potential, aggregation and export potential based on the structural-logistic approach.

All the material and non-material, financial and labor resources necessary for the development of the enterprise serve as structural elements of the export potential. That is why we analyzed these indicators above.

When talking about the elements of export potential, first of all, it is necessary to pay attention to its classification on the basis of its defining characteristics. In our opinion, one of the main criteria for classifying export potential is its source of resources.

Table 5. Calculation for kalava yarn produced by "Los Gigantes Textiles" LLC [5]

NAME OF COSTS	Unit of measure	Amount of 1 product
Cotton fiber price	Soum	9 430,00
The output of the thread from the cotton fiber	%	80,0%
Consumption of cotton fiber	Кг	1,2500
Consumption of raw materials and cotton fiber	Soum	11 787,50
Waste output	Soum	318,08
Net raw material consumption	Soum	11 469,42
Cotton transportation costs	Soum	50,00
Electricity consumption	Soum	473,20
Utility bills (water, gas, utilities)	Soum	85,00
Calculated salary	Soum	239,11
15% deduction from the salary	Soum	35,87

machine and

spare parts

Depreciation	Soum	263,00
Spare parts and auxiliary materials	Soum	110,00
Packaging materials	Soum	130,00
Other expenses	Soum	85,00
Product production cost	Soum	12 940,60
Profitability	%	10%
Period costs:	Soum	71,14
Management apparatus salary	Soum	10,67
1% deduction from the salary	Soum	35,00
Selling expenses		
	Soum	14 351,47
	USA \$	1,77

The main sources of raw materials of the "Los Gigantes Textiles" enterprise were purchased from the "Uzpakhtasanoat" association on the basis of a contract since the establishment of the enterprise, and since 2019, after the establishment of the clusters, they have been purchased from the clusters of Andijan region, Namangan region and Fergana region. Spinning machines of the Swiss company "RIETER" have been installed in the enterprise, and currently machines of the German company "SCHLAFHORST" are being installed in the enterprise based on the decision of the President of the Republic of Uzbekistan No. PK-2687 of 21.12.2016. The project was launched in the III quarter of 2019 (Table 6).

2019 2018 2020 Company name **Import Import Import Import Import Import** (USA \$) product (USA \$) (USA \$) product product "LOS Production Production Production **GIGANTES** 578626 5242 7554

machine and

spare parts

machine and

spare parts

Table 6. Information on the import activities of "Los Gigantes Textiles" LLC in 2018-2020 [5]

From the data of Table 6, it can be seen that in 2018, the enterprise brought in a total of 578,626 USD of production machinery and spare parts, in 2019, 5,242 USD of machinery and spare parts were imported, and in 2020, 7,554 USD of machinery and spare parts were imported. Therefore, there is a demand for this product in the enterprise. Effective implementation of the localization program will serve to produce exportable products in Uzbekistan that are not inferior to foreign products, provide employment to the population, improve the infrastructure of the regions, accelerate industrial development, and reduce prices. The expansion of the number of enterprises producing import-substituting products in our country is directly related to the favorable business environment created in our country. As a result, the variety of comprehensive, convenient, cost-effective, high-quality and cheap products under the "Made in Uzbekistan" label is expanding in the markets of our country.

Export potential: divided into internal and external export potential. Domestic export potential includes the set of natural, labor, financial, material and information resources necessary for the production of products for export. The decisive factor is not only the availability of these resources, but also the efficiency of their use. Foreign export potential includes sales of competitive products on the foreign market, marketing, logistics and service activities of the enterprise. In the economic literature, export potential has been classified in relation to products and their sales markets. Export potential according to it:

- 1. Export potential of the existing product in the occupied market.
- 2. Export potential of the existing product in the prospective market.
- 3. Export potential of the new product in the occupied market.
- 4. Export potential of the new product in the prospective market.

The products of "Los Gigantes Textiles" LLC, which we are analyzing, are exported to foreign markets in China and Turkey. From the domestic markets, knitwear is mainly sold to Namangan, Andijan, Margilon and Ko'kan textile weaving enterprises on the basis of a contract.

TEXTILES"

LLC

kalava thread

2018 2019 2020 Name **Export Export Export** Export **Export Export** (USA \$) (USA \$) (USA \$) product product product

555000

kalava

thread

245000

kalava thread

Table 7. Information on the export activities of "Los Gigantes Textiles" LLC in 2018-2020 [5]

A system of indicators is used to help assess the export potential of the enterprise and the level of its use. The production volume indicator is used to determine the production capacity of an industrial enterprise. With the help of this method of determining the industrial enterprise's export potential utilization index, it is possible to determine the enterprise's competitive capabilities, strengths and weaknesses, find ways to improve its operations, analyze the enterprise's production capabilities, and at the same time compare and evaluate the relevant indicators of competing enterprises (Table 7).

As can be seen from the data of Table 7, the main export product of the enterprise is the production of kalava yarn. In 2018, the company exported 308,999 US dollars of cotton yarn, in 2019, this figure was 555,000 US dollars, and in 2020, this figure was 245,000 US dollars. In 2020, it became known that the reason for the decrease of this indicator depends on the level of demand of international partners. In this regard, it is necessary to analyze the possibilities of using the following strategies for increasing the export potential:

- to achieve a set of products delivered to a specific segment of the market by identifying, creating and applying growing segments within the existing foreign market;
- pursuit of innovations that create competitive opportunities without price;

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> increasing the export volume and income due to the reduction of the cost of the product and its delivery.

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