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Strategy of Developing Competitive Foreign Trade Activity of the Light Industry Enterprises

Keywords: *light industry, external economic activities, competitiveness, export strategy, international market, national economy.*

Annotation: *In this paper considered the role of light industry in the macroeconomic sector of the country, as well as ways to improve its competitiveness in the international market in terms of modernization of the national economy.*

Integration into the world economy requires a qualitatively new approach to the state regulation of external economic activities. Economic development of the Republic of Uzbekistan is closely associated with its integration into the world economy, the expansion of exports and rationalization of imports.

The main objective of developing economy of the Republic of Uzbekistan – is to provide conditions for sustainable economic growth. Uzbekistan has chosen its own way of gradual economic reforms with a strong regulatory role of the state. This choice led to the most minimal drop in production among the CIS countries (about 18% compared with 40% on average in the CIS). And holding by the government of Uzbekistan phased, sensible economic policy, based on historical and institutional features of the republic, allowed our country to achieve economic growth (1). The development strategy of industrial production and competitiveness of national producers in the international market was the basis of the reforms in our country.

Experience has shown that in East Asia, economic policy was a clearly focused on export. Originally it may have been unknowingly, on the one hand, due to the deficiency of domestic natural resources and the urgent need for significant import them, and on the other - due to the narrowness of the domestic market. But then a tough export orientation was consciously elevated to the rank of a national strategy. Only such strategy can guarantee the correctness of the chosen way, because the effectiveness of national economic policy is monitored and even guaranteed by such independent and rigorous arbiter, as competition in the global market.

In the transition to market relations light industry enterprises have become active participants of foreign trade, which is recognized as one of the priorities of their development. This was the basis for the development of other industries of Uzbekistan and accelerated growth of economy. Because in the modern world light industry has a high ranking among the industries engaged in export. It has the widest range of exported goods nomenclature - from yarn to finished products. From this perspective, the export potential of the industry is very high.

Light industry is one of the main pillars of the national economy, in it concentrated more than 21% of all workers in the country's industry. Today the main task for enterprises

and the state is - establishment of economic ties, the rational use of the resource base, as well as the technological modernization of the industry.

In conditions of developed competitiveness, industries use different development strategies in order to gain competitive advantage. Considering the changing economic conditions, which led to a change in the use of resources and applied technologies, we can say that the light industry of Uzbekistan has passed in its development way from labor-intensive to capital-intensive production. As a result, it becoming more competitive.

Compared with developed countries, the market of light industry of Uzbekistan is developing at a steady pace. For example, in the U.S. textile and apparel industry takes positions 3 and 4 (after the food and tobacco industries), for comparison, the light industry in Uzbekistan in 4th place after the food industry. According to the State Statistics Service, the share of light industry in total industrial production is about 13% (2), over the years it formed from 25 to 28% of the state budget (3), while in Turkey it is 20% in China and Italy - more than 13%, allowing them to form up to 20% of the budget(4).

Production indicators, the composite price indices of industrial products manufacturers in the light industry in December 2012 compared to December 2011 amounted to - 108.7% (2). The light industry of Uzbekistan, without exaggeration, can be called one of the structure forming all over the industrial complex. Only in the first quarter of 2013 the total volume capacity of the textile enterprises amounted to 49.3 thousand tons of yarn, 6.5 thousand tons of knitted fabric, 31.2 million pieces of knitwear.

During the first quarter of 2013 enterprises produced products for the total amount 437.9 billion soums, consumer goods - by 153.3 billion soums. The exports amounted to over than \$ 190 million. To achieve such high results allowed a number of conditions that are attractive both for domestic and foreign entrepreneurs.

Light industry enterprises are related with commercial relations among themselves and with other industries, as well as connections with the world community. Coordination of the work of these companies and groups are strictly regulated by the state and the entire responsibility for the activities of these industries in the national economic system also attributed to the State. State intervention in the development of light industry also caused by volume of current state development programs, so that rational and economical use of appropriated funds and to ensure a comprehensive approach to the implementation of programs. Therefore, at the state level should be solved the following objectives:

- forming of policy, aimed at establishing interregional and international product market and its infrastructure;
- make changes in legislation in the of production, exports and imports sphere, as well as creating the necessary conditions for enterprises in foreign trade. Under this program, it is also necessary to work out the state system to protect domestic producers from the "shadow" production and unauthorized imports;
- providing support for innovation processes, technical re-equipment and modernization of production, financing of research and development in accordance with the state priorities in the field of science and technology, which is only possible with the state system approach to the management of financial resources;
- establishment and management of modern logistics and information systems, which requires a large investment at the state level;
- operatively provide companies of the country with an actual information from primary sources, complementing it with analytics: comparative analysis of the status of market in dynamics, development trend of the industry, taking into account the internal and external conditions, forecasts by goods movement.

All the actions of market participants associated with light industry should be aimed at ensuring the economic security of the state in conditions of globalization, this is to create a favorable competitive environment for domestic producers abroad and the formation of the domestic market for imported products of high quality. Well as the development of light industry associated with the development of economic relations, as well as the technological modernization of the industry. Indicated goals enforceable at monitoring the implementation of the tasks and timely funding, using clear competitive advantages which are cheaper compared to the west, such as energy, land, and professional staff.

The main feature of the textile industry of Uzbekistan, which must be considered in establishing a strategy for its further development, is its closed nature - from raw materials to finished products. Currently, the share of processing of cotton fiber produced in the Republic to the finished product is about 40% and its achievements in 2015 envisages up to 60%. It should be noted that, faced with the competition, need depending from the goal to choose one of three competing strategies described by M. Porter (5). At the same time there are general conditions, the presence of which is necessary to achieve the strategic objectives (Table 1).

Table 1

Requirements for technology and resources for the implementation of strategies

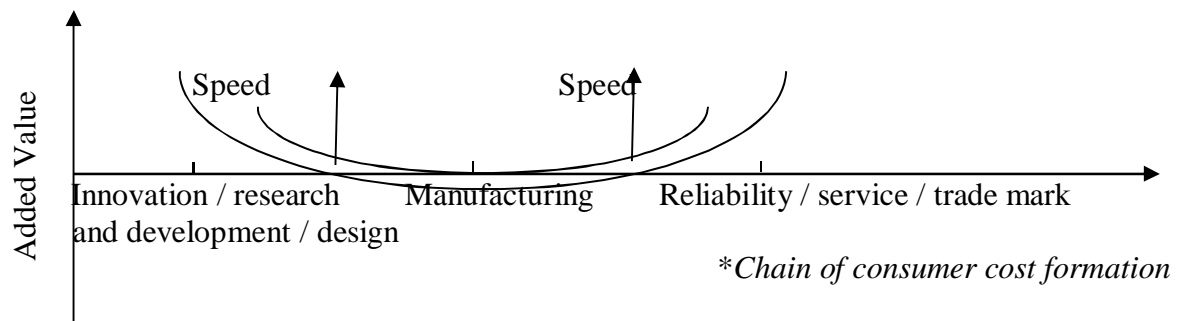
Strategy	Resource and technical conditions
Leadership of expenses	Large capital investments, with free access to capital. Technology of conveyor production. Strict control over the work of the staff. Products easy to produce. Low-cost distribution system.
The differentiation	Great marketing opportunities. technology of manual production . Innovation. Sustainable infrastructure and development. The company should have a reputation for high quality products or technology leader.
The concentration	The combination of strategies mentioned above, which contributes to the achievement of strategic objectives.

The main condition for the internationalization of industries is that firms in order to obtain economic benefits can come together on the international market that will allow them to achieve competitive advantage through globalization. There are four main sources of global benefits: traditional comparative advantage; economies in the scale of production; benefits resulting product differentiation; public nature of the goods under the influence of market information and technology. Usually these factors interact with each other. For example, economies in scale of production is the basis for the entering to the foreign market, which in turn will lead to economic benefits. The most important trends in the conditions of globalization consists in the fact that it eliminates the economic differences (income, expenses for production and distribution) between developed countries and newly industrialized countries. Moreover, mobility of technologies allows more competitors to implement investment and introduce advanced equipment.

The development strategy of the textile industry of Uzbekistan should be based on the principles of "smiling curve" (Fig. 1), as well as to focus on creating added value for the

expansion of the limits of possibilities and on increasing the importance of the textile industry in the national economy.

Figure 1



Thus, need further research aimed on development of new products, improving production, expansion of sales and marketing. First of all need to determine the value of domestic demand and potential markets for export of products, and then select types of products which are best suited to the demand and requirement of the relevant regional and international level.

Explore and develop opportunities and priorities of the establishment of trade relations with customers and logistics in the current conditions of global development in the world economy.

In addition, to select and justify the strategy of development of the textile industry of Uzbekistan should apply the theory of product life cycle. Thus, during the industrial development many industries after the rapid overcoming the growth stage come into relatively modest step, i.e. stage of maturity. In the maturity stage, more and more competitors vying for market share. It is necessary to consider the concept of proposed by Rothwell and Zegveld (6). According to the concept, with the development of the classical S-shaped product life cycle can occur substitution of leaving the market products with new, identifying their properties, technological modernization or extension of the maturity stage in the production of textile products, which should lead to the next life cycle of the industry.

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