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ECONOMIC MECHANISMS FOR DEVELOPING EXPORT ACTIVITIES OF TEXTILE INDUSTRY ENTERPRISES AND THEIR FUNCTIONAL FEATURES: THE CASE OF UZBEKISTAN

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Abstract

The development of export activities in the textile industry is an important factor in ensuring economic growth, increasing foreign exchange revenues, and strengthening the competitiveness of national economies. In recent years, Uzbekistan has implemented a number of economic reforms aimed at supporting export-oriented industries, particularly the textile sector. This article examines the economic mechanisms that contribute to the development of export activities of textile industry enterprises and analyzes their functional characteristics using the example of Uzbekistan. The study identifies key economic mechanisms such as financial incentives, tax benefits, investment support, export infrastructure development, and institutional regulation. Special attention is given to the role of government policies and industrial modernization in increasing export capacity. The findings indicate that effective economic mechanisms can significantly improve the competitiveness of textile enterprises and expand their participation



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in international markets. The article also provides recommendations for further improvement of export support policies in Uzbekistan.

Keywords: textile industry, export activity, economic mechanisms, export promotion, competitiveness, Uzbekistan.

Introduction

In the modern global economy, export activity plays a crucial role in ensuring sustainable economic development and increasing the competitiveness of national industries. For developing countries, the expansion of export-oriented production is particularly important for improving trade balances, attracting foreign investment, and creating new employment opportunities.

The textile industry is one of the most important sectors of Uzbekistan's economy. The country has traditionally been one of the largest producers of cotton, which provides a strong raw material base for textile production. In recent years, the government of Uzbekistan has implemented comprehensive reforms aimed at increasing the share of value-added textile products in exports rather than exporting raw cotton.

The development of export activities of textile enterprises requires the effective use of various economic mechanisms. These mechanisms include financial support, taxation policies, institutional regulation, investment incentives, and infrastructure development. Proper functioning of these mechanisms allows enterprises to enhance their production capacity, improve product quality, and successfully compete in international markets.

The purpose of this article is to analyze the economic mechanisms that promote the development of export activities of textile industry enterprises and to examine the specific features of their functioning in Uzbekistan.



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The Role of the Textile Industry in Uzbekistan's Export Structure

The textile industry has become one of the leading export-oriented sectors of Uzbekistan. Due to the availability of cotton resources and the implementation of industrial reforms, the sector has experienced significant growth in recent years. Government policies have been focused on increasing the level of cotton processing within the country. As a result, the production of yarn, fabrics, knitted goods, and ready-made garments has expanded significantly. Textile products from Uzbekistan are exported to many international markets, including countries in Europe, Asia, and the Commonwealth of Independent States.

The development of textile clusters has also contributed to improving production efficiency. These clusters integrate agricultural production, textile processing, and garment manufacturing into a unified production chain, which increases productivity and reduces production costs.

As a result of these reforms, the textile industry has become one of the main contributors to Uzbekistan's export revenues and industrial development [1].

Economic Mechanisms for the Development of Export Activities

The development of export activities of textile enterprises depends on the effective functioning of various economic mechanisms. These mechanisms create favorable conditions for enterprises to expand production and enter international markets.

Financial Support Mechanisms

Financial support is one of the most important mechanisms for promoting export activities. It includes preferential loans, export financing programs, and subsidies for enterprises engaged in export production. Access to financial resources allows



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textile enterprises to invest in modern equipment, improve product quality, and increase production capacity.

Tax Incentives

Tax incentives play an important role in encouraging export-oriented production. Many countries, including Uzbekistan, provide tax benefits to exporting enterprises. These benefits may include reduced profit taxes, exemptions from certain customs duties, and tax credits for investment in export production.

Investment Support

Investment support mechanisms are aimed at attracting domestic and foreign investments into the textile sector. Investment incentives such as free economic zones, simplified administrative procedures, and government guarantees encourage investors to participate in the development of export-oriented industries.

Export Infrastructure Development

Efficient export infrastructure is essential for successful international trade. This includes transportation networks, logistics centers, customs services, and digital trade platforms. Well-developed infrastructure reduces transaction costs and improves the efficiency of export operations.

Institutional and Regulatory Support

Institutional mechanisms include government agencies, export promotion organizations, and trade support institutions. These organizations provide information about foreign markets, assist enterprises in establishing international partnerships, and help resolve trade-related issues [2].



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Functional Features of Export Development Mechanisms in Uzbekistan

The economic mechanisms supporting export activities in Uzbekistan have several specific characteristics.

First, the government plays a significant role in regulating and supporting the textile industry. State programs aimed at industrial modernization and export promotion provide financial and institutional support to enterprises.

Second, the cluster-based development model has become an important feature of Uzbekistan's textile sector. Textile clusters integrate cotton production, textile processing, and garment manufacturing, which improves production efficiency and strengthens export competitiveness.

Third, Uzbekistan has actively developed international trade relations and expanded access to foreign markets. Participation in international trade agreements and cooperation with global organizations has helped create favorable conditions for export growth.

Another important feature is the emphasis on technological modernization. Many textile enterprises are introducing modern equipment, digital technologies, and innovative production methods to improve product quality and reduce production costs [3].

Discussion

Despite significant progress in the development of textile exports, several challenges remain. These include the need for further technological modernization, improvement of product design and branding, and diversification of export markets.

Strengthening cooperation with international partners and integrating into global value chains can further enhance the competitiveness of Uzbek textile enterprises.



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In addition, the development of digital trade platforms and e-commerce can open new opportunities for export expansion.

Improving logistics infrastructure and simplifying customs procedures will also contribute to reducing trade barriers and increasing export efficiency.

Conclusion

The development of export activities of textile industry enterprises is an important factor for economic growth and industrial development in Uzbekistan. The analysis shows that the effectiveness of export development largely depends on the proper functioning of economic mechanisms such as financial support, tax incentives, investment promotion, infrastructure development, and institutional regulation.

Uzbekistan has implemented significant reforms aimed at strengthening these mechanisms and promoting export-oriented industrial development. As a result, the textile industry has become one of the key sectors contributing to the country's export growth.

However, further improvement of economic mechanisms, modernization of production technologies, and expansion of international cooperation are necessary to ensure sustainable growth of textile exports and enhance the global competitiveness of Uzbekistan's textile enterprises.

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