

## **IMPROVEMENT OF THE INSTITUTIONAL AND LEGITIMATE MECHANISMS OF TEXTILE PRODUCTS**

**Adilova Zulfiya Djavdatovna** 

Head of "Tourism" Chair, Tashkent State Economic University, Uzbekistan

zulfiya\_adilova@mail.ru

**Muminova Nargiza Makhsudjonovna**

Ass. of the department of Corporate management

Tashkent institute of textile and light industry, Uzbekistan

Nargiza.maxsudjonovna@gmail.com

### **Abstract**

*This article has scrutinized improvement of the institutional and legitimate mechanisms of textile products. Moreover, introduced national textile market of Uzbekistan while showing effectiveness of its export capacity. The way of improvement makes clear analytical illustration over the textile industry of international market trends. Therefore, status quo of the economics is also investigated as it is vital aspect of this subsector. Finally yet importantly, introduced suggestions with outcomes and shortcomings of it make better perspective discoveries on the further studies.*

*Keywords: Textile industry, international trends, economics, finance, Uzbekistan*

### **INTRODUCTION**

Uzbekistan has done great measurements in order to develop various sectors of economy. On this way, to strengthen the export potential of textile industry of the country to improve the living standards of the population, the highest role in the organization of the sale of these products effectively (Abdukhalil, 2016). In the modern world textile industry has a high ranking among the industries engaged in the export. It has a wide range of exported goods — from yarn to finished products (apparel and jerseys). From this point of view of the export potential of the industry is

large, and its development can be selected from conditions at the time of decision making: the presence of a strategic investor, the world commodity market, the efficiency of the current business plan, the level of preparedness frames in accordance with the requirements of export production (Anvardjanovich, 2017; Hidaykulov, Hongyi, & Galib, 2015).

The main part of the textile enterprises of the Republic are concentrated in the state joint stock company(SJSC) “Uzbek light industry”, which includes more than 285 large enterprises and organizations of different ownership forms: 129 — textile enterprises; 120 — sewing knitting enterprises; 36 — silk enterprises; and 7 commercial enterprises. In recent years the company has got rapid development. Since 1991 the production capacity of the enterprises included in the SJSC “Uzbek light industry” in terms of the processing of cotton fiber increased from 136 thousand tons in 1991 to 480 thousand tons in 2013. The annual capacity of enterprises of SJSC “Uzbeklight industry: cotton yarn — 373 thousand tons; cotton — 281.8 million square meters; knitted fabric — 81.8 thousand tons; jerseys — 256 million pieces; hosiery— 71.3 million pairs; filaments of raw silk 2.5 thousand tons.

They can also release a wide range of garments. In addition, the company also deal in variety of special consumers, including medical products, non-woven materials, the demand for cotton products, special working clothes, Terry products, etc. today enterprises of SJSC “Uzbek light industry” occupies a leading place in the economy for the production of consumer goods. On the role of textile industry in the macro-economic complex of the country can be judged by the following data: today it provides approximately one fifth of gross domestic product, it contains one third of all workers employed in the industry(Mentges, 2013).

In different years the textile industry was formed from 25 to 28 % of the revenue part of the state budget. Coordination of the development of the textile industry’s sectors attracting investment and technical re-equipment of its leading enterprises, the increase in exports and the expansion of import substitution is carried out by the Cabinet of Ministers of the Republic of Uzbekistan. This is a business entity engaged in the marketing of any products market analysis, marketing planning, implementation and management of calls for the development of improved organizational structure (Nargiza & others, 2015).

Analysis of the results showed that the national exporter of textile products trade enterprises the chance of the following conditions require an improvement in the organizational foundations of the existence of trade marketing:

- ✓ the process of marketing the wrong or inefficient planning;
- ✓ sales segments remain in the situation suddenly changed;
- ✓ marketing research on the basis of the information collected;
- ✓ changes in the activities of the main competitors in the market;

- ✓ as a seller of goods production, as a result of the introduction of a new product to the market decline in demand for certain types of goods;
- ✓ sales system, which is related to the lack of staff;
- ✓ cause problems in the process of selling and so on.

Textile products trading and marketing organization marketing service management structures of the view of the specific represents the distribution of powers and responsibilities to complete the way of development as whole. Textile marketing services for the development of its organizational structure is characterized in the basis directory (Nargiza & others, 2015; Tillyakhodjaev & others, 2016).

Marketing organization and structure of the business enterprise is dependent on different influencing factors and conditions to form. Such factors include the following:

1. Targets to be put on before the directory. Thus, the organization of marketing service marketing strategy and ensure the fulfillment of objectives in regard to the implementation of kontsepsiyasi, may simplify the process of enterprise management, reduce problems in the area of coordination of the marketing system, the marketing staff should be motivated to increase creative.
2. Internal and external environment conditions. That affect the marketing activities of the enterprise competition, the formation of the purchase of foreign channels, the number and market capacity, the ability of the population purchasing, marketing, legal norms, political and social relationships, taking external factors such as marketing, it is necessary to form the structure. Thus, the number of marketing staff qualifications, depending on the particular requirements as to the aspect of the effects of external factors arises the need to put. Also, the production volume of the enterprises, the range of products, financial potential, internal factors such as the location of the existing sales channel marketing requires changes to the organizational structure is also necessary.

Trade enterprises in the marketing of the basics of organizational improvement consists of the following:

- ✓ Marketing management structure improvement;
- ✓ Marketing the professionalism of the staff, depending on experience job on distribution;
- ✓ Create the conditions necessary to increase the work efficiency of the marketing staff;
- ✓ Marketing divisions work in collaboration with other divisions of the structure of the interaction and the organization of maintenance and so on.

Foreign experience shows, flexible in order to adapt faster to changing market conditions would choose the company's management structure. The situation in the market quick flexible management structure able to take advantage of the impact sales dramatically (Abdukarimov

B.A, 2013; Toktamysov, 2016; Valipour et al., 2015). Especially, the majority of large-scale enterprises functioning in the field of textile, in particular of trade (regional) distribution properties in the directory requires the right choice of the management structure.

There are different approaches in relation to the organization of marketing service in the enterprise. Marketing management practices, shows the approach to the construction of the management structure consists of the following:

- ✓ functional management structure;
- ✓ regional management structure;
- ✓ on product management structure;
- ✓ on the market management structure;
- ✓ functional-product management structure;
- ✓ functional on the market management structure;
- ✓ Functional-product-market management structure.

Management structure each of the divisions functional trade directory of marketing services (marketing research, sales, marketing, and control) based on the distribution of functions established without references. While the subjects of available resources in the production and sales process, the product manager on product content management can be included in the management structure. Functional a product type of the group (the idea of) the introduction to the production of the final process within the framework of competence to buy it from is responsible. The main purpose of this meeting is the event - coordination of the activities of the enterprise in connection with the production on this product(Ames, Brown, Devarajan, Izquierdo, & others, 2001; Berger & Humphrey, 1991).

In relation to the organization of marketing service is one of the common forms functional approach, this approach differs with the distribution of authority between the marketing staff and obligations. Thus, in line with a number of other divisions as well makes marketing service. At the level of the organizational structure of the requirements, management process specializes in high efficiency(Jeffries, 2013; Prebensen, Skallerud, & Chen, 2010).

Functional management structure is relatively simple, and its sales advantage in the market scan on the units of each of the powers and duties a clear sign of marketing.

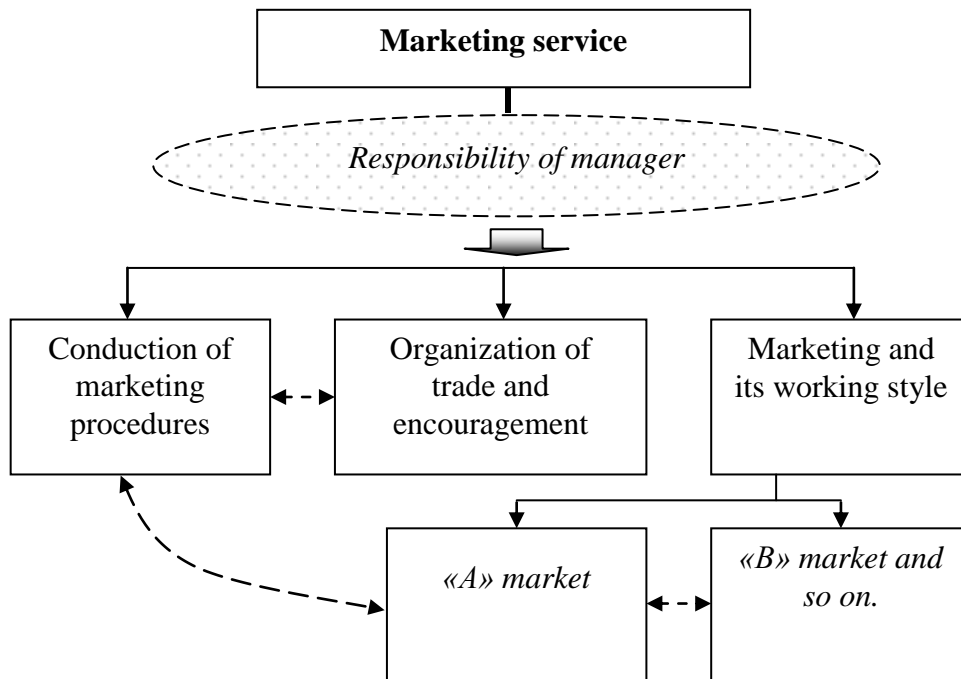
In the meantime, the expansion of the range of goods to sell and increase sales functional the effectiveness of management structures in the context of the segment will decrease. Thus, each type of marketing activities on sales or brand segment coordination problem will arise. It should be noted that in this approach the distribution functions strictly as a result of significant marketing management decision-making that may arise in the difficulties, for this reason it is desirable to use a different product as part of the production program.

Regional management of trade enterprises located in different regions of the structure in the point of sale in marketing management refers to the coordination. An important advantage of this management on consumers in selected areas clear to ensure quick get the information stand (Yuksel, Yuksel, & Bilim, 2010).

Service marketing product management product planning structure in the organization of production, allows adaptation to market faster. This directory service is not on marketing tasks, but the object is created on the object, while as products, customers, markets.

A management structure is specific to enterprise operating in multiple segments on the market sales trade, sales in those segments so that each segment to develop a plan and marketing strategy service marketing features to come with them for the effective implementation responsibility is assigned. The surveys shows that the particular application does not give the intended effect of the management structure above. In particular, the management structures that complement each other, marketing of services, ensures the organization on specific goals (Figure 1).

Figure 1. Mechanism of marketing service

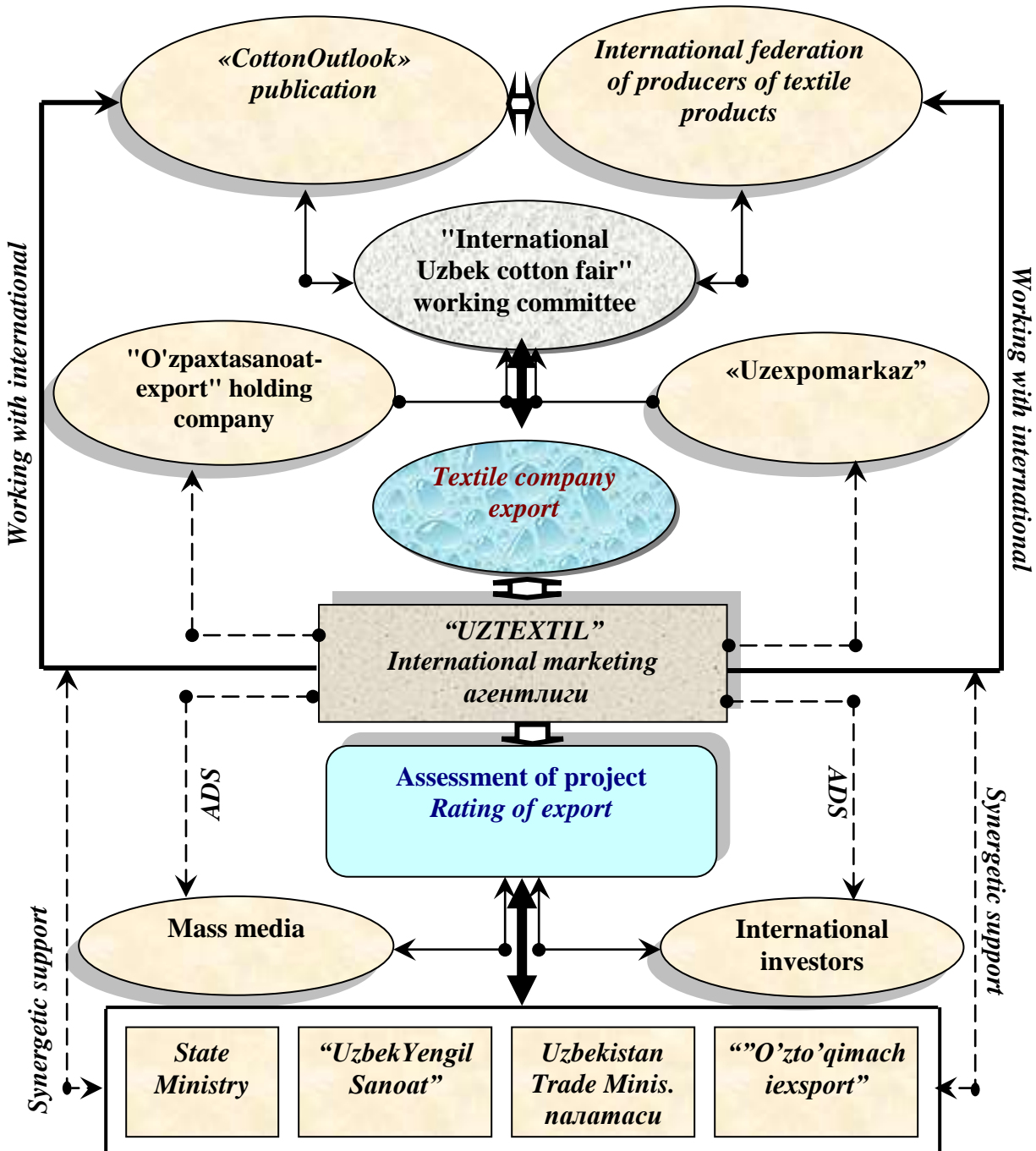


### FUNCTIONAL TRADE-MARKET MANAGEMENT STRUCTURE OF THE ORGANIZATION

Trade directory functional on the market segment marketing strategy marketing management sales proceeding from the formation of the structure allows the introduction and development of the situation.

Effective marketing management in the enterprise an integral piece of the overall management system of the organization. Acceptable production of marketing management of the enterprise, financial, trade, and technical staff divisions ensures a single integration like to work with united management. This in turn on the basis of direct benefit to the management of the enterprise allows you to increase the size of the market.

Figure 2. The assessment of the export potential of textile enterprises  
export the proposed network architecture



In general, the choice of how to approach the organization of marketing service in the enterprise in spite of clearly defined powers and obligations of divisions from marketing, marketing services and other offices on the type of product to sell on the relations between regulation should be responsible:

Textile enterprises in the competitive market conditions in the organization of marketing service in the effective depth-based marketing policy to go to the development and improvement of pressing members is of importance. Marketing policy – the company who put the marketing strategy of the main requirements hugs, defining the priority directions of the marketing process is the document important(Ajwad et al., 2014).

Opinion in the country in the conditions of liberalization of economy in a large scale of textile products in the domestic and foreign markets to sell the products on the market to master the knowledge of modern buy to ensure it is one of the main requirements. For this reason, one of the main textile enterprises in the organizational functions marketing services marketing organization, to attract personnel with high skills on methods of conducting marketing research in particular.

Specialist sales management experience in the analysis of trade changes in the market, brand, to be able to price policy effective organization skills are required. In addition, employees should be proficient technology perfectly the essence of the changes in production and trade of goods.

## **BENEFITS AND PRIVILEGES FOR ENTERPRISES**

The Republic created a stable framework for economic activity, simplification of licensing procedures, business registration and certification of products, a large number of different benefits for joint ventures and foreign enterprises and others:

- the opportunity to buy in the production of cotton fiber with a discount of 15 % from the prices formed in accordance with the quotations index “A” and his Uzbek component published “Cotton Outlook” by installments for 90 days;
- the exemption from the payment to the budget of all kinds of taxes and fees, excluding value added tax;
- the exemption from payment of customs duties(except customs clearance fees) for imported equipment, components that are not produced in the Republic of raw materials used for production before January 1, 2016;
- the delay in the payment of customs duties (except customs clearance fees) for up to 60 days from the date of acceptance of customs Declaration in the production of textile goods, not included in the list approved by the Cabinet of Ministers of the Republic;

- the right to reduce, within three years, the taxable base for the profit tax in the amount of funds allocated for modernization, technical re-equipment of production, the loans for these purposes, and reimbursement of the cost of leasing object, using the depreciation funds, accrued during the relevant reporting period;
- the exemption for a period of five years from the payment of property tax for newly commissioned with new technological equipment;
- the resolution, in exceptional cases, the company SJSC “Uzbek light industry” for the period till January 1, 2016 to purchase for freely-convertible currency (accrual of the value added tax at zero rate) textiles, semi-finished products (yarn, fabric, knitted fabric and waste cotton spinning) on the domestic market at prices not lower than the world, existing at the time of conclusion of the contract, meaning that at least 80 percent of the products produced from these semi-finished products will be sent for export;
- the textile industry, exporting more than 80 % of its products are exempt of tax;
- is to improve the quality and competitiveness, as well as expanding the range of products of the textile industry for the period till 1 January HTA enterprises of SJSC “Uzbek light industry” exemption from payment of import customs duties imported for their own needs chemicals, dyes, fittings and accessories, as well as other auxiliary materials not produced in the Republic;
- the textile industry, exporting more than 80 % of its products are exempt of tax.

## CONCLUSION

Based on above discussion, in order to encourage and promote the export of domestic producers and increase their competitiveness features following are recommended:

- the lower the share of exports from 80 to 50 % of the sales volume at which the textile enterprises will be granted exemptions from property tax. This will increase the supply of crude oil on the domestic market for the subsequent production of goods for export;
- the expansion of the list of products for which granted customs privileges during the import.

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