

Prospects for the Integrated Development of Cotton-Textile Clusters

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Abstract: The growth of national competitiveness, increasing the efficiency of domestic enterprises in the world and domestic markets is the goal of the economic policy of any state. World experience shows that the implementation of cluster policy leads to an increase in the competitiveness of the territories and production complexes of the country.

Keywords: competitiveness, cluster policy, cotton growing, cotton-textile cluster, production efficiency.



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Introduction: At the present stage, the urgent problem of development of inter-industry relations in the agro-industrial complex is the formation of clusters. In cotton growing, this problem is especially important due to the underdevelopment of inter-industry interactions and the absence of effective links between science, production, processing and marketing.

The cotton-textile cluster will be economically beneficial for cotton market participants, as it accelerates the delivery of the created product to the end consumer, which contributes to the growth of productive forces, an increase in the volume of production, the improvement of production relations and an increase in production efficiency.

The current difficult and unstable period once again clearly demonstrates the decisive role and importance of the agricultural sector on a global scale. An important issue has become providing the population with agricultural products, creating new jobs in the sector, and further increasing interest through the rational use of existing resources and opportunities.

Today, the issues of accelerated development of agriculture, increasing its economic efficiency, and further improving the living conditions of the rural population are directly related to the modern method of farming – the cluster system. This new structure has become the driving force – the driver of the agricultural sector in a short time.

What does the cluster bring to our economy? How does cotton benefit the farmer or members of the household engaged in cotton growing?

Firstly, the widespread introduction of modern market relations in agriculture allows for the creation of new jobs and provides interest.

Secondly, it facilitates the introduction of advanced agricultural technologies in cotton growing and increases competitiveness.

Thirdly, it serves to provide farms with modern agricultural technology.

Fourthly, it will further increase the volume of production of finished cotton products and ensure their exportability.

The cluster system in our republic was introduced in 2017. Based on the Decree of the President of the Republic of Uzbekistan No. PP-2978 dated May 19, 2017 "On measures to create a modern cotton-growing and textile cluster in the Bukhara region", a cluster of LLC JV "BCT cluster" was created in the Bukhara region, as well as LLC JV "Bek cluster" based on Resolution No. PP-3279 dated September 15, 2017 "On measures to create a modern cotton-growing and textile cluster in the Syrdarya region".

During the trial period, these clusters showed better results than expected. As a result, the number of cotton-textile clusters in 2018 reached 16, in 2019 - 77, in 2020 - 97, in 2021 - 122, in 2022 their number reached 134, and the clusters covered 100% of the republic's cotton fields.

Materials and research methods. The emerging positive trends in the development of agro-industrial production in the Republic of Kazakhstan have led to a decrease in the rate of economic decline and stabilization of production volumes. But despite this, there is a need to find ways and reserves to improve the efficiency of development of agro-industrial enterprises.

One of the branches of the agro-industrial complex with large export potential is cotton growing. More than 70 countries of the world are engaged in cotton growing, the main ones being China, the USA, India, and Pakistan.

A study of the historical genesis of cotton growing in Uzbekistan shows that its products have always been in demand on domestic and foreign markets.

Research results and their discussion.

Despite the excellent economic potential of this crop, the spread of cotton in Uzbekistan is limited mainly by two factors: the thermal regime and the lack of water resources for irrigation. Kazakhstan is the northernmost country in the world of cotton growing, and therefore the riskiest in growing cotton.

Most of the cotton fiber produced in Uzbekistan is exported, as the domestic textile industry is undergoing a recovery phase. The application of the cluster model in the development of the textile industry of Uzbekistan is an important factor in the competitiveness of individual companies and the entire economy.

Thus, an important direction for increasing the economic efficiency of the cotton processing industry of Uzbekistan is the integration of all links based on deep specialization of cotton production. For these purposes, it was advisable to form a cotton-textile cluster, which represents a spatial-organizational form of interaction between independent specialized industries and complementary enterprises and organizations aimed at creating competitive cotton products with a high degree of added value. The technological chain of the cotton-textile cluster will include the production of raw cotton, its processing, the production of yarn from cotton fiber, fabrics, textiles and clothing production.

Thus, the feasibility of creating a cotton-textile cluster is manifested in its benefits for both economic entities producing raw cotton and for processing enterprises.

Raw cotton producers are able to sell their products in full and on time. Processing plants are provided with demand and operate at maximum production capacity.

In this case, the economic effect of the functioning of the cotton-textile cluster in Uzbekistan will be achieved by increasing its scale, deepening the specialization of enterprises, improving the quality and competitiveness of products, reducing costs, including for the sale of products,

determining priority areas for investment in the implementation of achievements of scientific and technological progress and increasing the profitability of production.

Implementation of the system of signing a quadripartite agreement.

In order to further improve the activities of cotton-textile clusters, increase their role and responsibility in the efficient use of agricultural land, and widely implement market principles to ensure the interest of producers and processors of products, Decree of the President of the Republic of Uzbekistan No. DP-14 “On measures to regulate the activities of cotton-textile clusters” was adopted on November 16, 2021.

Based on this Decree, a republican commission for coordinating the activities of cotton-textile clusters was created. A procedure for signing a quadripartite agreement on the creation of cotton-textile clusters was also introduced. At the same time, based on the resolution of the Cabinet of Ministers on the creation of a cotton-textile cluster, a quadripartite agreement for a period of thirty years is concluded between the Ministry of Agriculture, the Association of Cotton-Textile Clusters of Uzbekistan, the Council of Ministers of the Republic of Karakalpakstan or the regional khokimiyat, respectively, and the applicant for the creation of a cotton-textile cluster. Moreover, if the applicant is an enterprise with foreign investment or a foreign legal entity, the four-party agreement is concluded for a period of up to twenty-five years.

In addition, all cotton-textile clusters in one region (in the Republic of Karakalpakstan or the corresponding region) are allowed to operate with farms on a contractual basis, and farms are allowed to voluntarily enter into futures contracts with these clusters for the supply of raw cotton. This, in turn, has given freedom to farms and increased their interest.

The practical results of the study are as follows:

- To date, 1034.2 thousand hectares (100%) of land plots are assigned to 134 cotton-textile clusters in the republic;
- 1.3 million tons (34%) of fiber were produced from 3 million 800 thousand tons of raw cotton produced by clusters in 2022;
- At the moment, clusters have 1.9 million tons of production capacity for fiber production, and the grown raw cotton provides 58% of the available capacity (there are 705 thousand tons or 42% of the fiber production capacity);
- As a result of the introduction of scientific achievements, innovations and advanced technologies in the sphere, cotton yield increased from 26.4 c/ha to 32.7 c/ha (+6.6 c/ha) in 2016-2021. The gross harvest in 2021 reached 3.4 million tons;
- For this, clusters purchased 21.4 thousand units of high-performance equipment and units worth 5.4 trillion soums, thereby updating the technical fleet of agriculture;
- Water-saving technologies were introduced on 83.4 thousand hectares of cotton fields, 30.3 thousand hectares of land were returned to use;
- In 2021, 25 cotton-textile clusters were launched on an area of 106 thousand hectares.

Conclusion.

The key factor of sustainable economic growth all over the world is recognized as the efficient activity of industry, which, in turn, has a serious impact on the development of other sectors of the economy and, no less importantly, on the social sphere. Not only the domestic situation depends on how developed the industry is, especially the processing industry. One of the determining conditions for the successful entry of a state into the world market and participation in the global division of labor is the competitiveness of the national economy and its compliance with international quality standards.

Therefore, the primary task of the current stage of development of the Kazakh economy is to attract investment in non-resource sectors of the economy and quickly implement projects to develop clusters, a chain of interconnected industries and industries, which will allow the production of competitive goods and services.

Full use of innovations for the further dynamic development of the economy and society is possible with the implementation of a targeted innovation policy by the state.

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