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SUSTAINABLE DEVELOPMENT OF TEXTILE INDUSTRY ENTERPRISES IN UZBEKISTAN: ECONOMIC TRENDS, ANALYSIS AND PROSPECTS

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Abstract. This article analyzes the economic significance, current state, and future prospects of the sustainable development of textile industry enterprises in Uzbekistan. The role of the textile industry in the national economy, its contribution to gross domestic product (GDP), export potential, and employment generation are evaluated based on statistical data. Furthermore, the growth rates and production performance of the sector during 2022–2025 are examined, demonstrating that the textile industry has become one of the key drivers of economic growth. The study proposes measures for ensuring sustainable development through the introduction of innovative technologies, deepening digital transformation, attracting investments, and enhancing human capital development.

Keywords: textile industry, sustainable development, economic growth, competitiveness, export potential, cluster system, innovation, investment, value added, industrial modernization, digital transformation.

The textile industry is one of the strategically important sectors of Uzbekistan's economy. It occupies a leading position within the industrial production system, as it satisfies a significant share of domestic demand through the production of consumer goods, including clothing and various light-industry products. In addition, the sector contributes substantially to employment generation, particularly for labor-intensive segments of the population, thereby helping maintain socio-demographic stability in industrial regions.[1].

According to recent official estimates, the textile industry accounts for approximately 4–5% of Uzbekistan's Gross Domestic Product (GDP). Moreover, nearly 25–27% of total industrial output is generated by this sector. Its share in fixed production assets is estimated at around 12–14%. Furthermore, approximately 30–32% of industrial sector employees work in textile-related activities, highlighting the industry's significant role in employment creation[2].

At present, Uzbekistan's textile industry is developing as a highly diversified and integrated system. The Uzbekistan Textile and Garment Industry Association (Uztextileprom) unites hundreds of large and medium-sized enterprises. The sector includes more than 400 textile enterprises, around 10 machinery manufacturing companies, over 1,300 sewing and knitwear enterprises, and more than 90 cotton-textile clusters. In addition, institutional support is provided by organizations such as the "Sharq Liboslari" Design Center, advertising and marketing agencies, export-oriented companies, and cotton fiber trading organizations[3].

The sustainable development of Uzbekistan's textile industry is supported by a strong raw

[1] Concept and strategic documents for the socio-economic development of the Republic of Uzbekistan up to 2030.

[2] Data from the Statistics Agency of the Republic of Uzbekistan.

[3] Uztextileprom Association. Annual reports on the textile industry and sector indicators.

material base, including cotton fiber, wool, karakul products, and energy resources such as oil and natural gas. Favorable climatic conditions, geographical location, and abundant labor resources also create significant opportunities for further sectoral growth. According to the Development Strategy for 2019–2030, Uzbekistan aims to achieve 100% domestic processing of cotton fiber and increase textile production volumes by more than four times by 2025[4].

Modernization of the economy, technological upgrading of industrial sectors, improvement of production efficiency, and expansion of competitive products that meet domestic and international market requirements have become key priorities of state policy. Therefore, particular attention is being paid to strengthening the textile industry, increasing export potential, and expanding value-added production chains.

Table 1.

Growth Rates of GDP and the Textile Industry in Uzbekistan (2022–2025)[5]

Year	GDP Growth Rate (%)	Textile Industry Growth Rate (%)	Difference (+/-)
2022	5,7	8,1	+2,4
2023	6,3	6,8	+0,5
2024	6,5	7,4	+0,9
2025 *	7,2	8,3	+1,1

The data presented in Table 1 indicate a positive development trend in both Uzbekistan's economy and the textile industry during 2022–2025. The textile sector consistently outperformed overall GDP growth, confirming its increasing role as one of the drivers of economic expansion.

In 2022, GDP grew by 5.7%, while the textile industry expanded by 8.1%, exceeding the national economic growth rate by 2.4 percentage points. This trend continued in subsequent years, with textile sector growth reaching 6.8% in 2023 and 7.4% in 2024. According to forecasts, the sector is expected to grow by 8.3% in 2025.

These achievements can be attributed to deeper processing of cotton raw materials, expansion of production capacities, attraction of investments, and the development of the cluster system. From a scientific perspective, the textile industry's growth rate exceeding GDP growth demonstrates its strong multiplier effect, positively influencing other sectors through increased exports, employment, and investment activity.

Table 2.

Relative Importance of the Textile Industry in Uzbekistan's Economy[6]

Indikator	2022	2023	2024
GDP Volume (USD billion)	80,4	102,6	114,9
Textile Exports (USD billion)	3,2	3,5	3,8
Share in Industrial Output (%)	14,8	15,3	15,9

[4] National Database of Legislation of the Republic of Uzbekistan (Lex.uz). (2025). *Normative and legal acts related to the development of the textile industry of Uzbekistan*. Retrieved from Lex.uz.

[5] Compiled based on data from the Statistics Agency of the Republic of Uzbekistan.

[6] Compiled based on data from the Statistics Agency of the Republic of Uzbekistan.

Share in Employment (%)	8,1	8,4	8,7

The data in Table 2 demonstrate the steadily increasing significance of the textile industry within the national economy. Between 2022 and 2024, GDP increased from USD 80.4 billion to USD 114.9 billion, while textile exports rose from USD 3.2 billion to USD 3.8 billion.

The growth of textile exports contributes to strengthening foreign trade performance, increasing foreign currency earnings, and expanding the share of high value-added products. This trend reflects the country's gradual transition from raw material exports to finished product exports.

At the same time, the share of the textile industry in total industrial output increased from 14.8% to 15.9%, indicating its growing strategic importance within the manufacturing sector. Likewise, the employment share rose from 8.1% to 8.7%, confirming the industry's significant social and economic contribution through job creation and income generation.

Overall, the findings suggest that the textile industry is strengthening its position as a key sector driving economic growth, export diversification, and structural transformation of the national economy.

Table 3.

Comparative Analysis of GDP and Textile Industry Growth Rates [7]

Year	GDP Growth (%)	Textile Growth (%)	Index (2022 = 100)
2022	5,7	8,1	100,0
2023	6,3	6,8	106,8
2024	6,5	7,4	114,7
2025	7,2	8,3	124,2

The index values shown in Table 3 allow for an assessment of the long-term development dynamics of the textile sector. The index method is an important analytical tool for measuring cumulative growth effects in economic processes.

Using 2022 as the base year, the index increased to 106.8 in 2023, 114.7 in 2024, and 124.2 in 2025. This indicates cumulative growth of 24.2% during the analyzed period.

The continuous increase in the index demonstrates the sustainable nature of sectoral development. According to economic theory, high index values are associated with increased investment efficiency, better utilization of production capacities, and improved labor productivity.

Since the textile industry has consistently grown faster than GDP, its share in the economy has gradually increased, reinforcing its position as one of the leading sectors of Uzbekistan's economic development.

Overall, the analysis shows that the textile industry has developed at a faster pace than the national economy during 2022–2025. Its role in exports, industrial production, and employment has steadily expanded, confirming its strategic importance in economic modernization, export promotion, and value-added production.

[7] Compiled based on data from the Statistics Agency of the Republic of Uzbekistan and the Ministry of Economy and Finance of the Republic of Uzbekistan.

In this regard, further implementation of innovative technologies, expansion of digital manufacturing systems, deeper processing of raw materials, and production of internationally competitive export-oriented products will contribute to strengthening the industry's competitiveness and supporting sustainable economic growth.

Table 4.

Production Volume and Dynamics of Textile Products in Uzbekistan [8]

Yaer	Yarn (thousand tons)	Finished Fabric (million sq. m.)	Knitted Fabric (thousand tons)	Garment & Knitwear Products (million units)	Hosiery Products (million pairs)
2017	403,7	302,6	69,9	452,3	102,0
2018	448,9	348,9	89,9	536,0	135,0
2019	515,8	380,7	112,3	622,4	184,8
2020	592,7	415,4	140,4	722,8	252,9
2021	669,6	450,1	168,5	823,2	321,0
2022	732,4	487,8	196,3	918,5	385,7
2023	781,6	521,4	224,9	1012,8	452,3
2024	836,2	564,8	264,8	1128,6	538,4
2025 *	892,7	608,5	350,9	1246,3	621,8

The data in Table 4 reveal a stable upward trend in textile production volumes between 2017 and 2025. Yarn production increased from 403.7 thousand tons to 892.7 thousand tons, while finished fabric production rose from 302.6 million square meters to 608.5 million square meters.

Particularly significant growth was observed in high value-added products. Production of knitted fabrics increased from 69.9 thousand tons to 350.9 thousand tons, garment and knitwear products rose from 452.3 million units to 1,246.3 million units, and hosiery production expanded from 102.0 million pairs to 621.8 million pairs.

These trends indicate a growing degree of deep processing of cotton raw materials and an increasing share of finished products in total output. They also confirm the strengthening of the industry's export potential, competitiveness, and significance within the national economy. Scientifically, these achievements can be viewed as the positive outcome of structural reforms, investment inflows, and the introduction of modern technologies.

The textile industry is one of the strategic sectors of Uzbekistan’s economy, playing a crucial role in economic growth, export development, and employment generation. Recent institutional and structural reforms have led to consistent growth in production volumes, exports, and the share of high value-added products.

The analysis demonstrates that the textile industry has consistently grown faster than GDP, confirming its role as a significant driver of economic development. The expansion of textile exports contributes to foreign trade performance, foreign exchange earnings, and international competitiveness.

[8] Compiled based on data from the Statistics Agency of the Republic of Uzbekistan.

Production trends indicate increasing levels of deep cotton processing and a rapid transition toward higher value-added products. In particular, the growth of knitted fabrics, garment products, and hosiery production reflects successful modernization and diversification of the industry.

Under modern economic conditions, sustainable development of textile enterprises depends on the adoption of innovative technologies, digital transformation, efficient resource utilization, environmentally sustainable production, and export market diversification. In addition, further improvement of the cluster system, increased investment activity, and human capital development will be essential for ensuring long-term competitiveness.

In conclusion, the textile industry remains one of the priority sectors with high growth potential in Uzbekistan, playing a vital role in industrialization, export-oriented economic development, and sustainable economic growth. Continued efforts aimed at expanding innovation, investment, and high value-added production will further strengthen the sector's international competitiveness.

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