

## **Analysis of the Distribution of Financial Resources and Costs of a Textile Industrial Enterprise**

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**Abstract:** This article reveals the role of the textile industry in the country's economy. It also identifies factors that affect the financial security of textile enterprises and develops scientific and practical recommendations for their elimination.

**Keywords:** economic security, financial security, textile industry, sewing and knitwear, financial independence.

**Introduction.** The textile industry of Uzbekistan is not only one of the rapidly developing segments of the economy, but also a leading industry in terms of attracting foreign investment and exporting products.

Textile products of Uzbekistan are exported to more than 50 countries of the world. The main export markets are the CIS countries, primarily Russia, as well as Latin American countries, the European Union, the Republic of Korea, China, Singapore, Iran, Israel, the USA and other countries. Pakistan, Georgia, Croatia, Nigeria and a number of other countries were able to enter new sales markets in 2016. Russia and the CIS countries are the countries importing the products of textile enterprises of Uzbekistan in the largest volume. 51% of exports go to these countries, 21% to the countries of South Asia, 12% to Europe, 8% to the Middle East and Africa. In 2016, the export figures for textile and garment and knitwear products amounted to 1.2 billion US dollars.

### **Literature review.**

Many economists have studied financial security in the CIS countries. Among Ukrainian scientists, for example, we can name I.A. Blank [2], A.G. Zagorodny [7], G.L. Voznyuk. Russian scientists V.K. Senchagov [9], V.A. Bogomolov [10], V.F. Gaponenko [4] and others have made an important contribution to the study of financial security.

In the encyclopedia of the financial and analytical center “MaBiCo”, financial security is defined as a set of measures, methods and tools for protecting corporate structures and the financial activities of microeconomic entities [11].

According to economist A.V. Gukov, the essence of the financial security of an enterprise is based on the ability to independently develop and implement a financial strategy in an uncertain and competitive environment in accordance with the goals of the corporate strategy of the enterprise. That is, financial security is a state of the enterprise in which it:

- ensures financial balance, stability, solvency and liquidity of the enterprise in the long term;
- satisfies the enterprise's needs for financial resources for sustainable expansion of the enterprise;

- ensures sufficient financial independence of the enterprise;
- is able to withstand existing and emerging risks and threats that entail financial damage to the enterprise or negative changes in the capital structure or forced liquidation of the enterprise;
- provides sufficient flexibility in making financial decisions;
- ensures the protection of the financial interests of enterprise owners [6].

In the research of scientist E.A. Protsenko, financial security is understood as the ability of a business entity to develop systematically while maintaining financial and economic stability, liquidity and the ability to expand reproduction [8].

According to K.S. Goryacheva, financial security is, firstly, the balance and quality of the set of financial instruments, technologies and services used by the enterprise, secondly, resistance to external and internal threats, thirdly, the ability to ensure the financial interests, goals and objectives of the financial system of the enterprise with sufficient financial resources, fourthly, it is a financial state that ensures the development of the entire financial system [5].

According to the definition of one of the domestic scientists H.P. Abulkasimov: “Financial security is the creation of the necessary financial conditions and resources for the socio-economic stability and development of the country and its regions, maintaining the integrity of the financial system, successfully countering threats to internal and external economic interests. This security includes the prevention and protection from threats to the monetary, budgetary, credit, tax and currency systems” [1].

Another domestic financial scientist A. U. Burkhanov gave a more profound definition of financial security and financial security of an enterprise:

- financial security of the country - protection of the financial interests of subjects of financial relations at all levels;
- provision of the national economy and its sectors with liquid assets to meet their needs for financial resources and fulfill relevant obligations;
- stability of the financial system and resistance to negative impacts;
- represents a set of financial opportunities for the effective organization of the national economic system and ensuring sustainable economic growth [3].

### **Analysis and results.**

It is known that the textile industry unites a set of different industries (types of economic activity) in which production is organized by processing raw materials in order to obtain new materials in accordance with certain technical conditions and quality standards.

The classification list of the textile industry includes the following groups of industries:

- primary processing of textile raw materials;
- cotton paper;
- wool;
- silk;
- nonwoven materials;
- knitting net;
- textile production;
- knitwear.

Textile products are used in the production of clothing and footwear, as well as in the furniture, mechanical engineering, defense and other industries.

According to statistics, during 2009-2019, the volume of textile production in the republic increased from year to year. However, it can be noted that the volume of textile production

decreased in the Samarkand and Surkhandarya regions. In the Namangan region, the volume of textile production has increased sharply over the past 4 years. (Table 1).

**Table 1. Growth of textile production in 2009-2019 by regions of the Republic of Uzbekistan [12]**

regions	As a percentage compared to the previous year										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Andijan	105,9	124,6	106,1	108,3	107,1	121,0	109,0	111,4	143,4	115,8	102,1
Bukhara	108,0	122,9	107,0	104,5	106,3	114,5	113,2	106,2	101,5	106,3	101,1
Jizzakh	109,8	106,6	119,5	107,8	112,1	124,1	109,2	117,2	133,0	114,1	103,2
Kashkadarya	104,7	106,0	105,9	102,8	108,7	110,3	121,9	107,7	118,3	119,6	109,7
Navoi	107,9	115,4	110,3	121,0	97,7	113,6	121,6	119,7	143,1	132,5	102,4
Namangan	114,4	118,4	103,2	107,0	112,0	109,5	108,2	114,3	172,8	142,8	115,9
Samarkand	106,3	127,9	107,7	130,4	107,2	127,1	122,5	96,2	144,4	128,0	112,2
Surkhandarya	102,8	120,3	101,7	108,3	106,0	111,9	107,8	89,7	92,7	94,6	96,7
Syrdarya	114,9	107,1	112,2	103,2	98,7	109,3	109,2	104,6	81,3	101,6	100,9
Tashkent	98,9	121,6	65,9	99,2	114,3	116,8	115,9	139,3	138,0	135,7	136,3
Fergana	97,8	106,5	102,1	118,5	108,0	103,6	116,1	110,1	120,6	118,8	103,4
Khorezm	92,3	98,6	121,3	104,4	113,8	102,8	117,2	103,4	143,9	122,5	103
Tashkent city	112,5	160,2	111,0	97,7	123,3	107,4	125,0	101,5	133,2	134,6	115,5
Total for the republic	104,5	117,0	101,5	108,7	110,1	112,5	115,8	108,8	125,7	136,1	104,5

In addition to the production of cotton yarn, cotton and silk fabrics, garments, knitwear, hosiery, and raw cotton, the industry's enterprises were able to fully satisfy the demand for medical products and special clothing in the domestic market. One of the indicators of the industry's rapid development is the level of investment development. In particular, in the period after 1995, foreign investments worth more than two billion dollars were attracted to the industry. More than 200 projects were implemented with the participation of investors from Germany, Switzerland, Italy, South Korea, Japan, Turkey, the USA, India and other countries.

In 2019, the number of textile enterprises included in the "Uztokimachilksanoat" Association in the Republic of Uzbekistan exceeded 6 thousand, of which 492, or 12.6%, operated in the Namangan region. If in 2009 the activity level of enterprises in the republic was 77.9%, then in 2019 this figure was 96.7%. In the Namangan region, it increased from 74.7% to 96.2%. In 2009-2019, about 2944 textile enterprises ceased operations in the republic, including 273 in the Namangan region. According to estimates, the bankruptcy rate throughout the republic decreased from 13.8% in 2009 to 9.6% in 2017, and in the Namangan region from 10.5% in 2009 to 6.3% in 2017. These facts can be considered the main results of the reforms implemented in the textile industry of the republic.

Among the factors hindering the development of the textile industry, the Strategy for the Development of the Textile Industry of the Republic of Uzbekistan until 2030 mentions the following:

- technological backwardness, depreciation of fixed assets, insufficient investment activity, characteristic of a number of branches of the textile industry;
- limited access of local products to foreign markets, increased competition;
- insufficient rates of development of innovative activities and implementation of innovative technologies using chemical products in the textile industry.

In this regard, the above-mentioned forecast provides for an innovative scenario for the development of the textile industry, that is, an innovative and technological renewal of the production potential of the industry through resource- and energy-saving technologies, increased investment volumes, and so on.

In all current scenario conditions, the main factor in the development of the textile industry is the growth of domestic demand for products.

It should be noted that, compared to the innovative scenario of the country's economic development, the inertial scenario does not assume an increase in innovation and investment activity, the use of advanced technologies, or the implementation of large investment projects.

At the same time, the textile industry has been and remains one of the priorities of the economy and local industry, contributing to positive structural changes that continue to increase the competitiveness of other segments by offering the necessary and high-quality textile products.

The strategy for the development of the textile industry of the Republic of Uzbekistan until 2030 provides for an increase in the production of almost all types of products manufactured in the textile industry. In 2020, the growth of textile production increased by 43% compared to the base year of 2018, and in 2030 it is planned to increase by 2.5 times.

To achieve a "sustainable growth trajectory" and average world indicators in the near future, a strict policy is needed to ensure sustainable development in conditions of economic and financial security in all sectors of the textile industry and its individual organizations. This position requires a theoretical analysis of the main factors and conditions of sustainable development in the modern system of the country's economy, instrumental methods of managing individual sectors and sub-sectors.

Based on the above-mentioned determining factors of the organization of the textile industry, long-term cooperation with other organizations (raw material suppliers and textile product consumers) with the condition of creating conditions for durability, financial stability, effective contract policy, timely and full fulfillment of obligations assumed can be strengthened.

The creation of all the above-described conditions aimed at adequately reflecting the negative impact of external and internal factors on the development of textile producers and consumers in the regions requires constant analysis and control.

The increasing role of financial relations in the country's economy leads to an increase in the importance of ensuring financial security not only at the state level, but also at the enterprise level. Even modern textile enterprises, whose shares are not announced on the stock market and do not attract financial resources on financial markets, experience the consequences of the financial crisis in their activities.

It is these enterprises that lead to increased attention to the development of the financial security system.

To ensure financial security in textile industry enterprises, it is necessary to solve the following tasks:

- ensuring stable development of the enterprise;
- ensuring stability of monetary settlements and key financial and economic indicators;
- eliminating the negative impact of financial and banking crises and deliberate actions of competitors, shadow structures on the development of the enterprise;
- preventing agency disputes between shareholders, managers and creditors regarding the distribution, use and control of the company's cash flows;
- optimally attracting and using various sources of financing the enterprise;
- preventing crimes and administrative offenses in financial relations.

These tasks must be solved by shareholders and managers of the enterprise to ensure the safe and efficient operation of not only the elements of the enterprise's financial system, but also all the management elements interconnected with them.

### **Conclusion:**

To reduce internal risks and threats to the financial security of the enterprise, first of all, it is necessary to control the financial security of the enterprise. According to the author, a large

textile enterprise should create a financial security service for enterprises and they should be directly subordinate to the CEO.

To create an effective financial security system for an enterprise, it is necessary to develop the relevant enterprise documents, which should identify internal and external threats, as well as criteria by which it can be considered whether the financial security of the enterprise has been violated. In other words, criteria should be defined that allow assessing compliance with the requirements of financial security of enterprises. The financial security service assesses compliance with these criteria and communicates the information to the top management of the enterprise.

In this case, principles of requirements for debtors must be developed, they must comply with the requirements of the financial security of the enterprise. In this case, the Security Service must express its opinion on the importance of the reports provided for assessing financial security (as well as for monitoring compliance with the financial interests of the enterprise).

In addition, an information system for comprehensive and objective monitoring should be created, including the identification and forecasting of internal and external threats that threaten the financial security of the enterprise. Based on the information received, it is necessary to develop a set of operational and long-term measures to combat negative factors, as well as to prevent and eliminate possible negative consequences of threats.

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