

PAPER

# THE HISTORY OF THE ESTABLISHMENT OF LIGHT INDUSTRY ENTERPRISES IN FERGANA DURING THE YEARS OF INDEPENDENCE

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## Abstract

This article analyzes the processes of attracting foreign investments, introducing modern technologies, and establishing joint ventures in Fergana region as a result of the reforms carried out to develop the light industry sector after Uzbekistan gained independence. It highlights the impact of investments from Russia, China, Turkey, Korea, Singapore, Thailand, and European countries on production efficiency, the activities of existing enterprises, and their socio-economic significance.

**Key words:** Yarn, export, investment, decision, company, enterprise, light industry, and investors are important concepts that play a significant role in the economic development process.

## Introduction

After Uzbekistan gained independence, one of the priority directions of economic policy was defined as improving the welfare of society, raising the standard of living of the population, and developing the national industry. Light industry — especially the fields of textile, garment-knitting, and footwear production — was recognized as an important sector in meeting the population's demand for consumer goods and increasing export potential.

Fergana region, being one of the major industrial and cultural centers of our republic, saw the active establishment of light industry enterprises with the participation of both local and foreign capital during the years of independence. The gradual implementation of reforms opened up broad opportunities for creating modern production capacities in the region.

## Materials and Methods

In this study, methods of historical-legal analysis, examination of economic-statistical data, and comparison of sources were applied. The main data were obtained from presidential decrees and resolutions, economic bulletins, official reports on enterprises with the participation of local and foreign investments, as well as

the works of specialists in the field.

## Results and Discussion

1. Initial reforms and privatization process (1991–2000): Starting from 1994, the privatization of state enterprises in the light industry and their transformation into joint-stock companies began. In this process, shares were sold with the participation of labor collectives, local and foreign investors. In Fergana region: in 1990, on the basis of the Oltariq spinning factory, a joint venture for the primary processing of wool fiber with France was launched; in 1995, “Fergana Footwear” JSC together with Germany’s “Salamander” company established the joint venture “Uzsalaman”; in 1998, “Pfaff-Zinger” joint ventures were built in Zozyovon district.

2. Introduction of foreign technologies (2001–2010): In 2001, the joint venture “Kobul Uzbek Ko” was launched on the basis of technologies from Germany, Switzerland, Italy, Japan, and Turkey. In the same year, 33 enterprises with foreign investment were operating in the region. In 2003, “Margilonteks” and “Ishonch” JSC in Furqat district were re-equipped with German, Chinese, and Turkish technologies. In 2008, the joint venture “EXIM TEXTILE” expanded the production of knitwear products.

According to the Presidential resolution dated January 27, 2005, during 2005–2008, 94 projects were implemented, providing for attracting investments worth 1.2 billion US dollars into the textile industry. For example, the textile enterprise in Rishton district was restored with an investment of 2 million US dollars from Russian investors.

3. Large joint projects and modernization (2011 – present): In 2011, the Uzbekistan–Singapore joint venture Indorama Kokand Textile was established (authorized capital of 18 million US dollars, 76% foreign share). In 2015, based on the Presidential decree, the Uzbekistan–Thailand joint venture “Fergana Oceana Textile” was launched in Fergana city. With the capacity to process 3,600 tons of cotton raw material per year, this enterprise exports its products to the markets of Europe, Russia, and China.

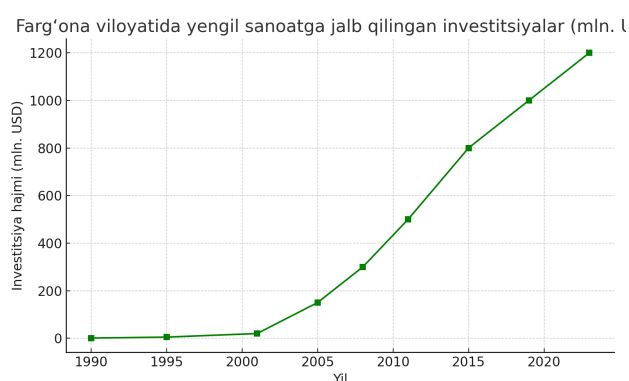
### Dynamic Indicators of Light Industry Development in Fergana Region

The following graphs (Fig 1, Fig 2) illustrate the growth in the number of joint ventures and the volume of investments in the light industry sector of Fergana region by years after independence.

Figure 1. Dynamics of the number of joint ventures in Fergana region



Figure 2. Investments attracted to the light industry in Fergana region (mln. USD)



## Conclusion

The process of establishing light industry enterprises in Fergana region during the years of independence was carried out step by step. In the initial years, privatization and denationalization were the priority directions, and in this process, local and foreign investors were actively involved. As a result, a system ranging from

small manufacturing enterprises to large industrial complexes was formed.

As a result of attracting foreign investments and modern technologies, more than 400 joint and foreign enterprises are currently operating in the region. These enterprises cover the full technological chain from deep processing of raw cotton to the production of finished goods. The products are not limited to supplying the domestic market, but are also exported to European, Asian and CIS countries.

The light industry sector has played an important role in shaping industrial infrastructure in the regions, especially in rural areas. As a result, thousands of new jobs were created, sources of income for the population expanded, and the level of employment for women and youth increased. In addition, these processes made a significant contribution to the economic stability of the regions, the expansion of industrial scale, and the improvement of product quality based on innovative approaches.

In the future as well, there are prospects for increasing the competitiveness of Fergana region not only in the republic but also in international markets through the consistent continuation of investment policy in the light industry sector, expanding the scope of foreign cooperation, and introducing digital technologies.

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