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STRENGTHENING OF INNOVATION ACTIVITY AT THE COTTON GINNING INDUSTRY IN UZBEKISTAN

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Abstract: Modernization of the companies engaged to primary cotton manufacturing represents some example of consequential innovative activities. Rapid growth of cotton ginning industry provides substantial positive influence on efficient operations of other adjacent industries of the national economy in Uzbekistan. The paper suggests ways to strengthen innovation activity in the industry to provide increase its competitiveness and develop export capacity of economy in general.

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Stimulation the scientific and technical progress, technical and technological modernization, reconstruction of production and intensive use of production potential appear as important directions of policy targeted to increase and sustain competitiveness of a country in a modern globalized market.

In condition when Uzbekistan keeps going through deepening of market reforms and structural transformations, there is a need for working out mechanisms stimulating development and allocation of competitive export oriented products. Innovative activity of an enterprise must be also involved. With this, the development of innovation strategy of an enterprise gains a significant importance and assumes long-term development aims considering external and internal factors and circumstances.

In present-day conditions innovations are understood within the different types: as some changes of the products (productive innovations), modernization of productions (technological innovations), and restructuring of industries and companies (organizational innovations). In this paper we have are focusing first and foremost the concept of technological innovations.

Modernization of the companies engaged to primary cotton manufacturing represents some example of consequential innovative activities. Rapid growth of cotton ginning industry provides substantial positive influence on efficient operations of other adjacent industries of the national economy.

Nowadays Uzbekistan occupies fifth place in manufacturing, and the second place in exportation of cotton fibre in the world. More than 70% of cotton fibre is exported to other countries for producing yarns and fabrics. Today the Uzbek cotton fibre is exported to the USA, Greece, Russia, the Great Britain, South Korea, Italy, Germany, Holland, Japan and the other countries. Sales of cotton fibre on international markets provide essential amount of foreign currency receipts to the country. The Republic of Uzbekistan is a full member of the Cotton International Consulting Committee, as well as such major stock-exchanges in Liverpool (the Great Britain), Bremen (Germany) and Gdansk (Poland).

Government puts important attention to developing textile and apparel clusters capable to utilize efficiently essential domestic resources of cotton harvesting. In this direction, strengthening the production and technological base of cotton

ginning industry appears as one of priority tasks in overall developmental strategy of the country. To increase the quality of cotton fibre and condition the related competitiveness of related textile industry it is necessary to improve the technical and technological level of cotton ginning productions.

The cotton ginning industry represents the important segment of national agricultural sector. The industry follows cotton cultivation and consists of ginning mills, procurement centres, experimental engineering workshops, seed preparation plants and a range of support facilities.

The ginning process is very important mechanical operation that cotton undergoes before it is converted into yarns and fabrics. Any damage caused to the quality of fibres during ginning cannot be fixed on the later technological manufacturing processes. Therefore, the high technological standards in cotton ginning are of high importance for cotton related textile industry.

The following directions are suggested important on the way of further modernization of manufacturing:

- technical re-equipment of all the cotton ginning factories;
- reconstruction of the equipment, which does not meet up-to-date requirements of manufacturing;
- displacement of cotton ginning factories from densely populated cities with complex ecological situation;
- construction of new plants in prospective cotton cultivation areas;
- increasing of production profitability using seed linting in specialized enterprises.

The Governmental Decree (April 03, 2007, N70) assumes measures aimed to modernize and reconstruct the cotton ginning industry enterprises during 2007-2011. This act marked a beginning of successive reforms in modernization of ginning industry in the country.

In the context of reforms the optimal variants of improving technique and technology of the primary cotton processing were defined and introduced to the cotton ginning factories. Cotton ginneries have been equipped by new technological equipment: high-productive saw gins, modernized linters and cleaners, universal generators of the drying agent which use liquid and gaseous fuel, modern hydraulic presses, effective plants installations for humidification of cotton fibre, etc.

Implementing the modern technology systems in the raw cotton processing provides reduction of the raw products losses, transitions, improving the ecological characteristics of ginning process, rationalization in using material and technical resources, increasing of the level of industrial sanitation and industrial design.

The mentioned Government Decree stipulates to reconstruct and modernize a number of the enterprises in the cotton ginning industry. With the purpose of introducing modern cotton processing technologies it is planned to import complex of technological and manufacturing equipment from leading cotton ginning countries and their installation at domestic cotton ginneries.

Also, the national modernization program also envisages organization, in machinery building enterprises of the country, of production modern technological equipment and devices required for the ginning industry.

The financial means feeding the implementation of the modernization program are considered to mobilize from different sources: incomes from extra charges on cotton sales, some part of profits of modernized enterprises, amortization funds, dividend receipts on state shares and bank lending.

The reconstruction and modernization program is supported also by package of fiscal stimulus. The imports of technological, auxiliary and transport equipment and spare parts and other consumables for cotton ginning industry are exempted from customs payments during the period of reconstruction and modernization.

Implementing of this comprehensive program should reduce the losses during raw cotton processing, increase the volume of high grade cotton fibre, decrease the expenses on fuel and energy resources and rise the productive capacity of cotton ginneries.

However, it is important to note that modernization environment of cotton ginning industry in mid-term and long-term development will be correlated with the results of institutional and structural reforms in cotton cultivation, cotton-pricing, further privatization and de-monopolization of domestic cotton market, attracting foreign direct investments in cotton ginning industry.

Cotton ginning industry is experiencing the active phase of modernization of production base. Successive and coordinated managing of this task will essentially impact the competitiveness and prestige of the overall Uzbek cotton industry on the world market.

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