



THE ROLE OF THE LIGHT INDUSTRY AS A DRIVER OF NATIONAL ECONOMIC DEVELOPMENT

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ABSTRACT

This article analyzes the role of the light industry in the national economy and its importance as a driver of economic growth. The study examines how the increase in the share of industrial products in exports contributes to expanding the country's export potential, strengthening the national currency, and improving the trade balance. In addition, the share of the light industry in gross domestic product and its significance in the global economy are studied. Based on the findings, conclusions and recommendations for further development of the sector are provided.

Keywords: gross domestic product, light industry, industry, export, textile, trade balance.

INTRODUCTION

In recent years, while systematic reforms aimed at modernizing and diversifying the national economy have been actively implemented, ensuring balanced growth in the industrial sector — an integral part of the economy — has become one of the country's key priorities. The effective use of scientific achievements and the introduction of innovations in industrial sectors contribute to the technological renewal of the economy and improvement of the competitive environment. In short, the development of industry serves to enhance the population's living standards and promote overall social progress.

MATERIALS AND METHOD

In the global light industry sector, groups of countries have emerged that act as suppliers of raw materials, manufacturers of finished products, and consumers. In particular, China is the world's largest exporter of finished textile products, followed by Bangladesh, Vietnam, India, and Turkey. China is the undisputed leader in both textile production (fibers, fabrics, and yarns) and clothing manufacturing, possessing the largest production chain and export capacity. In 2022–2023, China accounted for about 30% of the global apparel export market.¹ According to WTO and UN Comtrade data, Bangladesh has shown significant growth in clothing exports, becoming the world's second-largest apparel exporter due to its low labor costs. In the consumer market, China remains the main consumer, while the United States represents the largest import market in value terms. WTO and fashion industry statistics also identify the European Union as one of the leading importers with the largest market share.²

¹ [International Yearbook of Industrial Statistics](#) – edition 2023

² WTO - Global value chains sectoral profiles textiles and clothing industry and world trade statistical review – 2023

Cotton and synthetic fibers constitute the main raw materials for light industry. The major suppliers of these raw materials are India, the United States, China, Brazil, and Pakistan. China also leads in the production of synthetic fibers and petrochemical materials such as polyester, making it an indispensable part of the global textile industry.³

RESULT AND ANALYSIS

As a result of ongoing reforms, Uzbekistan's industry has evolved from a purely production-oriented sector into a strategic driver of economic growth. The implementation of measures aimed at forming modern industrial infrastructure has led to an increase in the share of industry in the country's gross domestic product (GDP). Therefore, the share of industrial output within the gross domestic product deserves particular attention. (Figure 1)

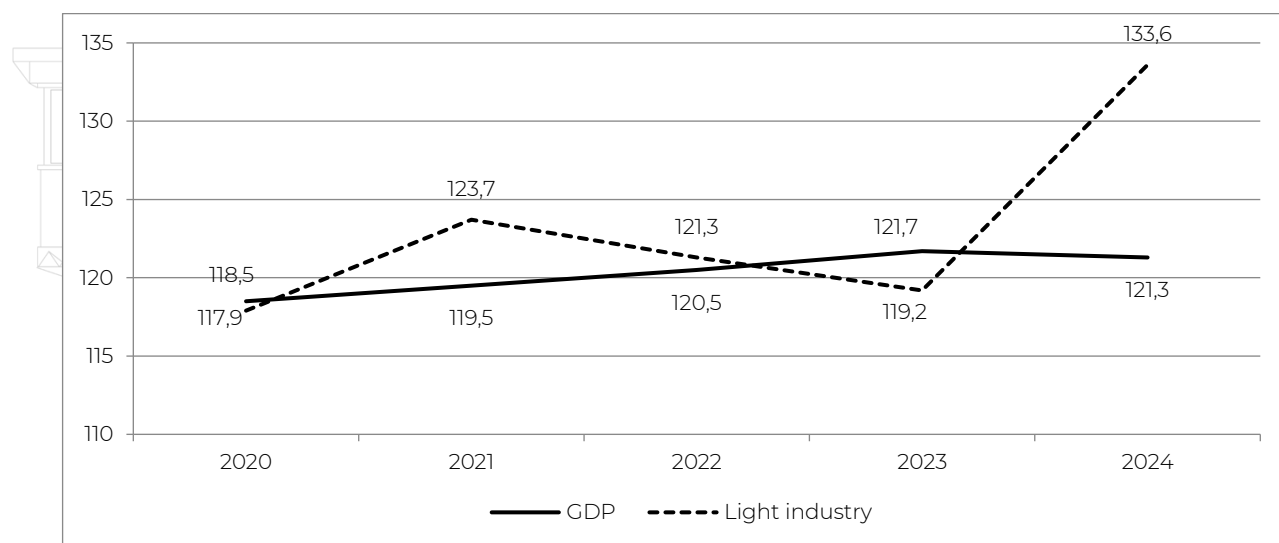


Figure 1. Dynamics of GDP and Industrial Output Growth in the Republic of Uzbekistan⁴

According to the data presented in Figure 1, during the period of 2020–2024, the shares of GDP and industrial production in the economy of the Republic of Uzbekistan demonstrated steady growth, though with varying intensity. In 2020, the gross domestic product (GDP) increased by 17.9%, while industrial output grew by 18.5%. In 2022–2023, however, a short-term slowdown in industrial growth was observed (from 121.35% to 119.2%), which can be explained by disruptions in global logistics chains and fluctuations in raw material prices.

Nevertheless, the 26–30% share of industry in GDP does not yet indicate full leadership of the sector in the national economy. This suggests that there remains significant potential to further expand the scale and capacity of industrial production. The **economic essence of the light industry** lies in increasing the added value of raw materials — that is, transforming them into high-income products through processing. The development of light industry directly contributes to **increasing**

³ Food and agriculture organization of the United Nations - www.fao.org

⁴ Based on the official website of the State Committee of the Republic of Uzbekistan on Statistics, under the authorship of the author — Siat.stat.uz.

female employment, especially in the textile and garment sectors, and facilitates the formation of **regional industrial clusters** (from raw material to finished product).

In the Republic of Uzbekistan, all industrial sectors are grouped into **18 major complex industries**.⁵ The term *industrial structure* refers to the composition of industries, the proportions among them, and their interrelationships. In particular, the **light industry** includes, apart from large-scale textile and leather production, branches such as **silk production, carpet weaving, embroidery, and the manufacture of consumer goods**. Due to the ongoing reforms in the **textile and leather sectors**, light industry plays a vital role in **ensuring employment and increasing export revenues**. Currently, around **430,000 people** are employed in this sector. Light industry accounts for **14% of total industrial production and 16% of national exports**. In the first nine months of **2025**, industrial enterprises in Uzbekistan produced goods worth **773.8 trillion soums**, which represents a **6.8% increase** compared to the same period of the previous year. ⁶As of **October 1, 2025**, there were **57.8 thousand active industrial enterprises** in the country. The largest shares by type of economic activity are distributed as follows⁷:

- Food production – 11.5 thousand enterprises (20.0%)
- Other non-metallic mineral products – 8.2 thousand (14.1%)
- Clothing production – 5.8 thousand (9.9%)
- Manufacture of fabricated metal products – 4.7 thousand (8.1%)
- Furniture production – 4.0 thousand (6.9%)
- Textile production – 3.6 thousand (6.2%)
- Rubber and plastic products – 2.7 thousand (4.7%)

CONCLUSION

From our perspective, **light industry** remains one of the most important and promising sectors of the economy, still possessing significant potential for **diversification**. To accelerate the development of the sector, it is advisable to:

- introduce **digital technologies** into production;
- expand the **domestic raw material base**;
- strengthen **export and branding activities**;
- improve **vocational training and workforce qualification**;
- deepen the **cluster system** (from raw material to finished product);
- enhance **financial and investment support**, including tax incentives;
- attract **foreign and private investments**; and
- promote **green bonds** as a financing mechanism for environmentally sustainable production.

According to forecasts, by **2027**, Uzbekistan's **annual textile exports** are expected to reach **USD 10 billion**, strengthening the country's position as a **regional textile hub** and further boosting the export of finished products. To help achieve these goals and sustain modernization momentum, the **United Nations Industrial Development Organization (UNIDO)** has launched the project *"Sustainable Modernization of Uzbekistan's Textile and Garment Industry."* This initiative is expected to benefit local communities by **reducing poverty, increasing employment,**

⁵ O.Abdurahimov – Industry economics 2009 Tashkent

⁶ From the speech of the President of the Republic of Uzbekistan on 12 December 2024, "Discussion of results and proposals in the light-industry sector", reported by Uzdaily.uz.

⁷ Prepared based on the data of the State Committee of the Republic of Uzbekistan on Statistics.

and enhancing economic diversification, while also accelerating Uzbekistan's transition to a digital economy.⁸

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⁸ Based on data from the United Nations Industrial Development Organization (UNIDO) website