

OPTIMIZING THE TAX BURDEN IN INCREASING EXPORT VOLUMES IN TEXTILE ENTERPRISES**Otaxanova Umida Olim kizi**

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Abstract

The article the issues of optimizing the tax burden in the process of increasing export volumes in textile enterprises. The main objective of the research is to identify the role of tax incentives, preferences, and effective tax mechanisms in enhancing the competitiveness of export-oriented textile enterprises. The paper examines the current tax policy, types of taxes affecting export activities, and their impact on financial performance. In addition, the study highlights the possibilities of reducing production costs, expanding export potential, and increasing foreign currency revenues through tax burden optimization. Based on the research findings, practical proposals and recommendations aimed at stimulating exports in the textile industry have been developed.

Keywords

Textile enterprises, export volume, tax burden, tax burden optimization, tax incentives, export activity, competitiveness, financial efficiency, production costs, state tax policy.

Introduction

At the global level, demand for textile products, export potential, and labor productivity are increasing through the attraction of modern technologies. However, despite this, in some countries the manufacturing sector is unable to supply domestic markets with sufficient textile products, and employment levels remain below demand, leading to a number of challenges. In general, the decline in the efficiency of industrial production has resulted in growing dependence on external supply. From this perspective, according to data presented by PricewaterhouseCoopers, tax revenues amounted to USD 55.167 million in 2022/2023, USD 70.964 million in 2023/2024, and USD 82.304 million in 2024/2025 (including VAT – 24%, personal income tax – 24%, corporate income tax – 14%, customs and excise taxes – 34%, property tax – 0.04%, and other taxes – 4%). Based on these indicators, the study of “World countries and the tax policies they implement” highlights the relevance of optimizing the tax burden.

In international practice, extensive scientific research is being conducted on increasing export volumes by textile enterprises. These studies address issues related to tax and taxation theory and methodology, prospects for the development of inter-budgetary relations, as well as problems of tax competition. Research findings indicate that under modern challenges of tax policy, ensuring budget consolidation has become one of the most priority directions in addressing the state’s financial problems. The controversial nature of the tax burden, as well as shortcomings in the theoretical study of its determination and analysis methodology, are also emphasized. However, despite the fundamental and practical significance of the problems associated with increasing export volumes by textile enterprises, alongside the need to ensure strategic economic growth, the essence of the tax burden, its assessment methods, and approaches to reducing the tax burden in order to increase export volumes by textile enterprises have not yet been fully resolved.

In the Republic of Uzbekistan, the textile industry is widespread across all regions and is one of the sectors with the highest employment levels. Currently, more than 6,000 enterprises operate in this field, providing employment for over 570,000 people. It is necessary to study the issues arising in the production of locally manufactured goods through the establishment of textile enterprises, expansion of the practice of one-day value-added tax refunds, simplification of access to pre-export financing, and allocation of existing financial resources. In this regard, the Decree of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev dated September 11, 2023, No. PF-158, "On the Strategy 'Uzbekistan – 2030'," sets an important objective to achieve 100 percent processing of yarn in the textile sector and to launch the production of 400 thousand tons of artificial and blended fibers to meet demand for high-quality fabrics. It should be emphasized that providing tax incentives, optimizing the tax burden, establishing national brands, promoting them to the international level, and increasing the production of high value-added products determine the relevance of this research.

2. Review of the Relevant Literature

The theoretical and practical aspects of tax burden optimization have been examined in the scholarly works of foreign researchers such as N. Ferugilo, W. Oates, G. Brennan, R. Tannenwald, J. Buchanan, W. Fischel, J. Wallis, and C. Tiebout.

Among scholars from the CIS countries, the scientific studies of A. Karataeva, N. Matrusova, A. Melnik, V. Rodionova, M. Osipova, G. Polyak, S. Sinelnikova, O. Mironova, L. Arkhipseva, M. Pinskaya, and F. Khanafeeva reflect issues related to the tax potential of regions, its indicators, external and internal factors, as well as the theory and practice of assessing tax potential.

The scientific research of Uzbek economists such as M. Alimardonov, A. Vakhobov, E. Gadoyev, Sh. Gataulin, A. Jo'rayev, X. Jamolov, T. Malikov, A. Mamanazarov, Sh. Toshmatov, N. Khaydarov, B. Toshmurodova, S. Khudoyqulov, N. Qo'ziyeva, S. Elmirezayev, G. Safarov, O. Meyliyev, Sh. Allayarov, A. Musagaliev, and U. Yuldasheva partially address these issues from theoretical and scientific-methodological perspectives.

3. Research Methodology

In the scientific study of the topic, methods such as logical reasoning, analysis, and systematic analysis, as well as scientific abstraction, were employed throughout the research process. The article examines the current state of development of the textile industry and its role in the global economy, and, in accordance with the role and significance of the textile industry in the national economy, presents scientific proposals and practical recommendations.

4. Analysis and Results

Comprehensive development of the sectors of the national economy, modernization of production, technical and technological upgrading, further improvement of activities in small business and private entrepreneurship, creation of the necessary conditions for their effective operation, and support and implementation of promising projects are being consistently carried out. In this regard, the implementation of approved programs and measures has led to positive results in the development of the industrial sector.

During the research process, a conceptual model was developed to enhance the economic efficiency of textile enterprises and increase the investment potential of regions (see Table 1). This model is intended for practical application in strategic planning, attracting investments, and improving efficiency. It contributes to increasing the profitability of textile industry enterprises,

expanding export potential, and strengthening investment attractiveness through the effective use of existing infrastructural, labor, and financial resources in the regions.

In addition, the development of textile cluster strategies for each region, preparation of regional investment passports based on comprehensive analytical data provided to foreign investors, enhancement of competitiveness through technological modernization of low-efficiency enterprises, and expansion of export-oriented production contribute to national economic growth.

Table 1

Model for Enhancing Textile and Investment Potential in the Region (Textile-Growth Model) ¹

Based on the information presented above, the textile industry is one of the strategic sectors of the economy of the Republic of Uzbekistan, and its development has a direct impact

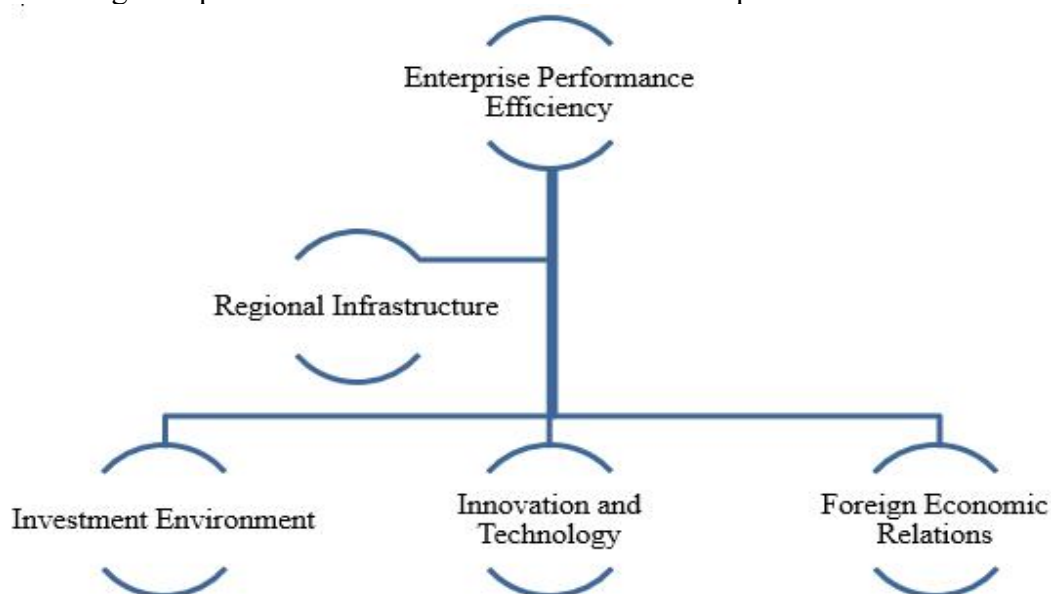
Block Name	Definition	Key Indicators
Enterprise Efficiency	Analysis of production capacities, productivity, and profitability	Production volume, profit margin, export volume, output per employee
Regional Infrastructure	Status of energy, logistics, transport, and workforce base	Electricity supply, accessibility to transport, number of vocational colleges
Investment Environment	Conditions created for local and foreign investors	Investment volume, tax incentives, number of free economic zones
Innovation Activity	Level of digitalization and implementation of new technologies	Share of new technologies, R&D expenditures, cooperation with technoparks
Foreign Economic Relations	Export geography, influence of foreign branches and trade offices	Number of foreign markets, foreign representative offices, export revenues

on the country's export potential, job creation, and regional economic growth. The proposed "textile-growth" model serves as a tool for the comprehensive analysis of the economic efficiency of textile enterprises, attraction of investments, and assessment of regional competitiveness. The indicators developed within the framework of the model—production efficiency, regional infrastructure, investment climate, innovative activity, and foreign economic relations—enable a thorough evaluation of each enterprise and region. On the basis of this approach, strengths are identified, weaknesses are eliminated, and targeted investment strategies are developed across regions. In addition, the model enhances enterprise competitiveness by increasing export volumes, facilitating access to foreign markets, and attracting new technologies. Furthermore, the formation of regional investment passports and the development of a cluster-based approach accelerate the pace of local economic growth. Overall, the "textile-growth" model can serve as an important instrument for establishing a systematic approach in the national textile industry, improving economic efficiency, and increasing investment inflows.

The assessment of the economic efficiency of textile enterprises is a complex and multifaceted issue that requires a comprehensive approach, taking into account not only financial results but also production processes, resource utilization, quality, sustainability, and market factors. The developed model represents a scientifically grounded, comprehensive, and practically significant approach to evaluating the economic efficiency of textile enterprises. It clearly identifies "weak points" within enterprise structures and contributes to the optimization of production processes, efficient use of resources, and increased profitability (see Figure 1). The model not only objectively reflects the current state of enterprises but also serves as a reliable

¹ Tadqiqot jarayonida muallif tomonidan tayyorlandi.

tool for identifying directions for improving efficiency, making investment decisions, and modernizing enterprises in line with international market requirements.



1-picture. Model for Assessing the Economic Efficiency of Textile Enterprises ²

Based on the figure presented above, it can be stated that the comprehensive assessment of the economic efficiency of enterprises in the textile industry is of significant practical importance today. The proposed model enables a systematic analysis of both internal and external factors of enterprise performance, the condition of regional infrastructure, the investment environment, and the level of innovative development. The main advantage of the model lies in its structure, which consists of five key blocks, each highlighting a specific aspect of enterprise activity.

Specifically, enterprise performance efficiency evaluates internal economic stability by measuring production volume, profitability, and export capacity. Regional infrastructure reflects the logistics, energy supply, and human resource potential of the region in which the enterprise operates. Investment environment identifies tax incentives, free economic zones, and investment inflows. Innovation and technology analyze the level of technological modernization and the transition to digitalization. Foreign economic relations determine the enterprise's potential to access external markets through international trade relations and foreign branches.

The practical application of this model allows for the clear identification of strengths and weaknesses of textile enterprises, the development of strategic development directions, and the implementation of investment and technological modernization processes on a scientific basis. Overall, the model serves as a reliable tool for effectively implementing industrial policy, increasing export potential, and fully mobilizing the economic capacities of each region.

Based on global experience, under favorable conditions, the development of the textile industry can become a key driver of economic growth for a country and its regions. In this regard, the Republic of Uzbekistan possesses certain competitive advantages and significant potential. The importance of the textile industry in the country's economic development lies in its substantial share of gross domestic product and its position as one of the leading sectors in industrial production. In particular, cotton fiber, ready-made garments, and other textile products are exported to international markets. This sector creates employment for thousands of people, especially in rural areas, and plays a vital role in increasing employment among women.

5. Conclusions and Recommendations

² Tadqiqot jarayonida muallif tomonidan tayyorlandi.

Simplification and acceleration of the VAT refund system. Liquidity for exporting enterprises can be improved by digitalizing and automating value-added tax (VAT) refund procedures. The VAT refund mechanism plays a crucial role in the development of export activities. Currently, many textile enterprises face delays and bureaucratic barriers in obtaining VAT refunds. These obstacles can be eliminated through the simplification and automation of the VAT refund process. In particular, the introduction of automated systems for exporting enterprises, acceleration of procedures, and facilitation of tax refunds would generate additional cash flows for enterprises and enhance their competitiveness. At the same time, it is necessary to develop preferential VAT refund conditions for small and medium-sized enterprises operating in the sector.

Expansion of simplified tax audit procedures. Applying a non-audit regime to enterprises that conduct effective export activities would ensure export stability. Tax audits often increase the tax burden and lead to additional costs, especially for small and medium-sized textile enterprises. For enterprises actively engaged in export activities and possessing high export potential, it is advisable to expand the “non-audit regime,” simplify tax audits, and provide such incentives to enterprises that operate transparently. In addition, subject to the timely and accurate submission of tax reports, the number of audits and inspections should be reduced.

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