# INNOVATIVE SUPPLY CHAIN MANAGEMENT TECHNOLOGIES AS A FACTOR FOR THE SUSTAINABLE DEVELOPMENT OF EXPORT-ORIENTED ENTERPRISES: THE CASE OF GERMES TEKS.

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In today's rapidly evolving global economy, marked by intensifying competition, export-oriented companies like Germes Teks must modernize their supply chains to stay competitive<sup>1</sup>. Modernization in this context means embracing innovative technologies, such as automation and the digitization of processes, which are crucial for improving product quality, reducing costs, and meeting the increasing demands of international markets.

Uzbekistan's textile industry stands out as a success story in recent years. In 2023, textile exports from Uzbekistan reached a remarkable \$3.1 billion, underlining the sector's pivotal role in the country's economic development<sup>2</sup>. The industry has grown 4.2 times over the past seven years, driven by a combination of favorable policies and a commitment to modernization. As of 2023, Uzbekistan exported 582 types of textile products to 58 countries, including major markets like Russia, Europe, and the CIS. Companies like Germes Teks have recognized the importance of digital transformation, using innovative tools such as Supply Chain Management (SCM) systems and warehouse automation to streamline production, optimize costs, and improve their export performance<sup>3</sup>.

By adopting these cutting-edge technologies, Germes Teks has been able to respond more quickly and efficiently to market demands, resulting in a notable 15-20%

<sup>&</sup>lt;sup>1</sup> Germes Teks. (n.d.). Germes Teks official website. https://germesteks.uz/

<sup>&</sup>lt;sup>2</sup> Kun.uz. (2023). Uzbekistan earned more than \$2.3 billion from textile exports in nine months. Available at: https://kun.uz/en/news/2023/11/06/uzbekistan-earned-more-than-23-billion-from-textile-exports-in-nine-months.

<sup>&</sup>lt;sup>3</sup>. UzDaily. (2023). Textile industry statistics in Uzbekistan. Available at: https://uzdaily.com/articles/.

increase in exports. At the same time, the company has succeeded in reducing logistics costs by 10-15%, which is crucial for maintaining profitability in competitive international markets. These achievements have helped solidify Germes Teks' position as a key player in the global textile industry.

The global trend toward integrating advanced technologies like the Internet of Things (IoT) and blockchain into supply chain management is also gaining traction. These technologies are transforming the way businesses operate by increasing transparency, enhancing efficiency, and improving quality control. Germes Teks has successfully implemented IoT and blockchain solutions to better monitor product quality and strengthen its relationships with international partners. This not only boosts the company's competitiveness but also positions it as a leader in innovation within Uzbekistan's textile sector.

The modernization of Germes Teks and similar companies is strongly supported by Uzbekistan's government, which has laid out a comprehensive framework for industrial growth. The Uzbekistan 2030 Strategy, for instance, places significant emphasis on digitization and innovation<sup>4</sup>. This strategy offers a clear pathway for companies to adopt new technologies, modernize their operations, and compete effectively in global markets. One key piece of legislation is Presidential Decree No. PP-4483, which provides specific support to exporters, including measures to reduce export and logistics costs. This kind of support is essential for companies like Germes Teks as they expand into new markets<sup>5</sup>.

Furthermore, the Law "On Public-Private Partnerships" creates an environment where enterprises can collaborate with the government to implement new technologies<sup>6</sup>. This law accelerates the adoption of digital supply chain management and other innovations by providing both financial and logistical support. Another important legislative initiative is Presidential Decree No. PP-4881, which promotes the

<sup>&</sup>lt;sup>4</sup> President of the Republic of Uzbekistan. (2023). Uzbekistan 2030 Strategy. Available at: https://lex.uz/acts/5392279.

<sup>&</sup>lt;sup>5</sup> President of the Republic of Uzbekistan. (2019). Presidential Decree No. PP-4483 "On additional measures to support exporters". Available at: https://lex.uz/docs/4532457.

<sup>&</sup>lt;sup>6</sup> President of the Republic of Uzbekistan. (2019). Law "On Public-Private Partnership". Available at: https://lex.uz/docs/4379210.

use of digital technologies like IoT and Enterprise Resource Planning (ERP) systems in manufacturing processes<sup>7</sup>. By embracing these tools, companies in the textile sector are able to optimize their operations, improve efficiency, and maintain a competitive edge.

The story of Germes Teks illustrates the transformative impact that digital supply chain management and automation can have on a business. By modernizing their operations, the company has enhanced its competitiveness on the international stage while improving both efficiency and cost-effectiveness. The support provided by the Uzbek government, in the form of legislative initiatives and strategic frameworks, has played a crucial role in enabling this transformation. As a result, the textile industry in Uzbekistan is poised for continued sustainable growth, with Germes Teks setting an example for other companies to follow.

In summary, the case of Germes Teks highlights the importance of innovation and government support in modernizing industries for global competition. The successful adoption of new technologies such as SCM, IoT, and blockchain has significantly boosted the company's operational efficiency, improved product quality, and reduced costs. This positions Uzbekistan's textile industry, bolstered by forward-thinking government policies, for sustained growth and a larger share of high-value-added products in the global market.

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<sup>&</sup>lt;sup>7</sup> President of the Republic of Uzbekistan. (2020). Presidential Decree No. PP-4881 "On additional measures to accelerate the digitalization of the economy". Available at: https://lex.uz/docs/4895142.

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