

A VISION FOR THE UZBEK TEXTILE INDUSTRY



THE 8 MOST FREQUENT QUESTIONS ABOUT A FUTURE TEXTILE LEADER



UZTEXTILEPROM

YOUR PARTNER IN SOURCING

It is my pleasure to welcome you to Uzbekistan. You might remember Uzbekistan as having a long history in weaving artisanal textiles, or you might know our country as one that produces cotton but I would like in the coming pages to introduce you to a modern Uzbekistan, with a state-of-the-art textile industry and a value chain that runs from the production of the fiber to manufacturing of the finished product. An industry that has grown several folds in the past few years to reach by the end of 2021 US\$ 2,8 Billion in exports with a fully transparent manufacturing chain capable of converting 100% of our local production of fiber.

In the coming pages, you will see how we are building up our industry to become a solution provider for European brands and retailers offering short lead times, innovative products, competitive costs and modern manufacturing know-how. Through our

cooperation with GIZ (hope all knows this abbreviation or we could open it) and Gherzi Textile Organization we are reaching out to European buyers to offer them the opportunity to visit Uzbekistan and gain access to one of the world's most competitive textile and apparel industries. In short our strength is globally combining both quick access to market and low manufacturing costs.

I look forward to seeing you in Uzbekistan and providing you with all the support you need to make this your new and preferred sourcing destination. Uztextileprom and myself stand as your partners to make your business more successful.

Sincerely,
Ilkhom KHAYDAROV
Chairman Uzbekistan
Textile and Garment
industry association



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WHO ARE WE?



AN OLD COUNTRY OF TEXTILE TRADITION ON ITS WAY TO BECOME
A LEADING EXPORT-ORIENTED TEXTILE PRODUCTION PLATFORM

Uzbekistan enjoys a number of clear advantages:
A dynamic government empowering businesses and creating an enabling economic environment with an eye on global issues

- A strategic geographical location between Europe and Asia
- Own production of one of the best cottons in the world with a fully integrated manufacturing chain
- A unique industrial textile development strategy aiming at certain fully integrated champions (from fiber to finished products under one roof)
- A strong labor market with 600K new workers joining the labor force every year
- A wide base of young and modern designers

- A strong commitment to sustainability and responsible manufacturing

- In the coming years, the Uzbek textile industry will focus on sharpening its offering and reaching out to the rest of the world with a unique product and service.

Our companies will get state-of-the-art coaching, training and a unique string of opportunities to access the European and US markets as a launching pad to the rest of the world.

Our focus will be to build up the skills of our people and the supporting infrastructure of services to enable them to become a nimble solution provider in an ever-changing environment.

We will expand our export market to more destinations (we grew from 43 countries in 2016 to 72 in 2021).



WHAT ARE THE **GOALS WE WANT TO ACHIEVE?**



A STRATEGY ARTICULATED IN FOUR PILLARS:
THE TOP PRIORITIES FOR 2025

GUARANTEEING SUSTAINABILITY AND TRACEABILITY

Focus on the environment and build a transparent industry complying with reputed standards and certification labels at all stage of the value-added chain (from raw materials to finished products)

BECOMING A NEW SOURCING HUB

Uzbekistan has all the ingredients to establish itself as a top-notch solution provider for demanding textiles and apparel clients in important markets controlling the entire chain of textiles

ACCELERATING GLOBALIZATION

Thanks to its geographical proximity to Asia and Europe - both can be supplied by trucks - Uzbekistan has the opportunity to conquer new markets and thus to become a truly global player in textiles

RAISING DIVERSIFICATION

To be recognized as an efficient one-stop solution, the Uzbek textile industry must offer a wide spectrum of products starting from yarn to finished products



WHY DO WE BELIEVE **WE ARE GOING TO GET THERE?**



THE UZBEK TEXTILE INDUSTRY: A STRATEGIC SECTOR WITH GREAT AMBITION

In the digital world, from e-commerce and digital manufacturing to a connected and responsible consumer, the fashion and textile industry have changed dramatically. In this brave new world, the Uzbek cotton and textile sector is well positioned to become a global player changing the dynamics of the entire industry.

A fully integrated cotton sector, proximity to major consuming markets and an enabling political / economic environment are but a few of the advantages our industry enjoys.

To capture this opportunity, Uzbekistan needs to step-up its game; we need to improve our transparency and sustainability. Our companies need to be prepared to offer a fast and high-end service, from design to delivery.

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**UZBEKISTAN IS ONLY
COUNTRY FOR THE
LAST 25 YEARS WHICH
MANAGE TO PROCESS
100% OF ITS COTTON**



HOW DO WE ADAPT TO **NEW & FUTURE MARKET REALITIES?**

READY FOR THE FUTURE: OUR INDUSTRY IS AHEAD OF THE CURVE, DRIVING MODERNITY IN EVERY CORNER

CREATIVITY

A striving community of young designers is driving the growth of our local fashion industry, quickly positioning Uzbekistan as a full sourcing partner offering product development hand in hand with state-of-the-art manufacturing. We continue to incubate and support this community of innovators.

MEETING THE WORLD

Our industry is crossing borders while we open our doors to the entire world. We are participating in key global forums, learning the latest trends, engaging decision makers and expanding our exposure to the rest of the world.

NEW GENERATION

We rely on the brilliant minds of our young people; several education programs for the textile industry are in place, graduating top calibers in textile manufacturing. This new generation of young professionals are equipped with the latest trends in manufacturing and trade.

STATE-OF-THE-ART

Our manufacturers continue to invest in modern factories, acquiring the latest technologies, attracting cutting-edge know-how in innovation, manufacturing, trade and retail. An industry built on the most contemporary manufacturing concepts in the world.



WHAT ARE LESSONS **LEARNED** **FROM THE COTTON PLEDGE**



A CLOSED CHAPTER WITH MANY PAINS AND MANY BENEFITS

There is no question that the old practices in cotton harvesting were a serious violation of human rights. Those practices were also in contrast with Uzbekistan's modern principals and values. The country has come a long way since then and the current administration believes that the path to growth is through an equitable, educated and engaged society. Over the past 4 years, the country has made leaps in bringing its laws and practices up to par with the rest of the world. These efforts have prompted the International Labour Organization to issue a report compiled for the World Bank declaring Uzbekistan

free of forced labor as well as the cotton campaign declaring a number of regions free of all forced labor:

“Systematic child labour has been eradicated and child labour is no longer a major concern.”

ILO report 2020

The days of the cotton pledge were a difficult time for Uzbekistan however, many lessons were learned and have resulted in the country changing not only its practices but also the core of its approach. Today, the textile industry is one of the leaders in transparency offering a fully integrated cotton value chain.

WHAT IS THE COTTON PLEDGE?

Following the use of forced labor in cotton harvesting, in 2007 a group of human right organizations launched a campaign to boycott products made with Uzbek cotton. The effort resulted in over 300 international brands and retailers joining the initiative and signing a pledge to stop selling goods made with Uzbek cotton. More and more companies are now abandoning the pledge in light of the recent reforms and the reports confirming the abolishment of forced labor.



WHAT MAKES US **DIFFERENT?**



THE GAME CHANGER: A WORLD LEADER IN THE MAKING

There are few (if any) manufacturing countries that have the ability and the opportunity to disrupt the global textile and apparel industry. Uzbekistan has all the strategic tools to change the entire chain by offering a rare combination of speed to market and price competitiveness coupled with a fully transparent and integrated value chain.

FULLY TRANSPARENT

Fully integrated value chain from fiber to finished product.

RIGHT NEXT DOOR

Only 14 days by truck to Europe making it the supplier of choice for short lead times

DUTY FREE

Since April 10th 2021, GSP+ status allowing 6,200 Uzbek products to access the EU without custom duties

ASIAN COSTS IN EUROPE

Low manufacturing costs from labor to utilities and transportation.

GREAT COTTON

Home grown cotton world renowned for its superior quality.

CUTTING EDGE

Continuous investment in state-of-the-art manufacturing facilities



WHAT ARE OUR **CHALLENGES?**

A YOUNG INDUSTRY WITH A LONG TRADITION IN TEXTILE MANUFACTURING

Although Uzbekistan enjoys a long history in textile manufacturing, investments in modern facilities only started a few years ago with large conglomerates investing in state-of-the-art manufacturing complexes. In the coming years the industry will work on bringing its manufacturers up to speed. Some of the key targets for the near future include:

DIVERSIFICATION

A shift from a cotton focused industry to Man Made Fibers is a must to answer to the growing shift toward synthetics.

MARKET ACCESS

Many brands and retailers are still not aware of the colossal efforts that were made in the cotton sector. The ending of the pledge remains a priority for the sector. We are to make an effort to provide promotion, advertisement and information in the world

KNOW-HOW

Capacity building for labour is a must to bring our workforce to par with other textile manufacturing countries.

GLOBAL INTEGRATION

As a young industry, we still need to inform the world of what the industry can offer to textile and apparel buyers. We are confident that with exposure, Uzbekistan will become the preferred sourcing partner for a majority of brands.



WILL WE ALWAYS BE **ASSOCIATED** **WITH ONLY COTTON?**



UZBEKISTAN:

A SOLUTION PROVIDER AND A FULL SOURCING PARTNER

Although Uzbekistan has always been associated with cotton due to its production of one of the world's most renowned quality cotton, the country – being one of the largest oil and gas producers - is seeking diversification into other Man Made and synthetic Fibres. Over the past decades, synthetics have replaced a majority of natural fibres due to their functionality and performance. Moreover, with the growing demand for Technical Textiles, man-made-fibres are gaining an even bigger share in the sector. Uzbekistan is working to

expand its range of raw materials to include synthetic fibres.

This shift will require the adoption of new know-how, the investment in R&D, training and expanding our innovation while introducing artificial intelligence, advanced engineering, and digitization. The industry is willing to make this effort and is currently working with the government as well as international agencies to make that transition into a wider range of raw materials. What will support us in this shift is our proximity to Asian suppliers of raw materials, giving us a lead-time advantage and increased flexibility.



UZBEKISTAN TEXTILE AND
GARMENT INDUSTRY ASSOCIATION



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