



## **DIRECTIONS FOR INCREASING THE COMPETITIVENESS OF AGRO-INDUSTRIAL ENTERPRISES**

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<b>Received:</b> 6 <sup>th</sup> March 2023 <b>Accepted:</b> 6 <sup>th</sup> April 2023 <b>Published:</b> 14 <sup>th</sup> May 2023	The agro-industrial sector plays a crucial role in the global economy, providing food, raw materials, and employment opportunities. However, increasing competition, market volatility, and changing consumer demands have made it increasingly challenging for agro-industrial enterprises to maintain their competitiveness. This article explores various strategies and directions that can help these enterprises enhance their competitiveness and ensure sustainable growth. The key areas discussed include the adoption of innovative technologies, development of human resources, improvement of supply chain management, focus on environmental sustainability, and investment in research and development.

**Keywords:** agro-industrial enterprises, competitiveness, innovation, supply chain management, environmental sustainability, human resources.

### **INTRODUCTION**

The agro-industrial sector is a critical component of the global economy, responsible for providing the world's population with essential food and raw materials, as well as generating significant employment opportunities. It plays a vital role in supporting rural economies, ensuring food security, and contributing to socio-economic development across the globe. However, the sector faces various challenges, including increasing competition, market volatility, changing consumer demands, and the need to address environmental concerns (Pretty, Toulmin, & Williams, 2011). Climate change, global trade dynamics, and evolving government policies further compound these challenges, making it increasingly difficult for agro-industrial enterprises to thrive and maintain their market position.

It is no secret that one of the main branches of the economy is the production sector and the development of processing in this sector. Even today, great attention is paid to the processing of agricultural products in our country. It is also known that in the decree of the President of our country dated April 5, 2023 "On additional measures to expand and support the production, processing of agricultural products in 2023" (Decree of the President of the Republic of Uzbekistan, dated 05.04.2023 No. PQ-113) No. PQ-113 special attention was paid in this field. In this decision, implementation of the tasks defined in the 2020-2030

strategy for the development of agriculture of the Republic of Uzbekistan in 2023, increasing the volume of food production through the effective use of available resources, meeting the demand of the population in the domestic market Priority tasks to be carried out in order to ensure and maintain price stability and economic and financial support of agricultural producers were defined.

In light of these challenges, it is crucial for agro-industrial enterprises to adapt and evolve by enhancing their competitiveness through innovative strategies and approaches. By doing so, they can not only maintain their market share but also contribute to the broader goals of food security, environmental protection, and socio-economic development. Achieving competitiveness in the agro-industrial sector requires a holistic approach, taking into account the complex interplay of factors, such as technology, human resources, supply chain management, sustainability, and research and development.

This article discusses five key directions for increasing the competitiveness of agro-industrial enterprises: 1) the adoption of innovative technologies, 2) the development of human resources, 3) the improvement of supply chain management, 4) a focus on environmental sustainability, and 5) investment in research and development. By exploring these areas in depth, this article aims to provide practical guidance and insights for agro-industrial enterprises seeking to enhance their competitiveness in an increasingly



challenging global market. Furthermore, it contributes to the broader discourse on the role of the agro-industrial sector in addressing pressing global challenges, such as food security, climate change, and sustainable development.

## LITERATURE REVIEW

The competitiveness of agro-industrial enterprises has been a subject of significant interest and research, as these enterprises play a critical role in global food security, rural development, and environmental sustainability. This literature review will focus on the research related to the factors influencing the competitiveness of agro-industrial enterprises, as well as the strategies and approaches that have been proposed and implemented to enhance their competitiveness.

One of the earliest works examining the competitiveness of agro-industrial enterprises is Porter's (1990) seminal study on competitive advantage. Porter's work, while not specifically focused on the agro-industrial sector, provides a useful framework for understanding the determinants of competitiveness in this context. His model identifies four main determinants of competitiveness: factor conditions, demand conditions, related and supporting industries, and firm strategy, structure, and rivalry.

Several studies have built on Porter's work to examine the competitiveness of agro-industrial enterprises in various countries and contexts (Gorton, White, & Chaston, 1999; Traill & Pitts, 1998; Wijnands et al., 2008). These studies have highlighted the importance of factors such as access to resources, market conditions, government policies, infrastructure, and the quality of human capital in shaping the competitiveness of agro-industrial enterprises.

Another stream of literature has focused on the role of innovation in enhancing the competitiveness of agro-industrial enterprises (Alston, 2010; Klerkx, Aarts, & Leeuwis, 2010; Spielman, Ekboir, & Davis, 2009). This research has emphasized the importance of investing in research and development (R&D), adopting new technologies, and fostering a culture of innovation within agro-industrial enterprises to maintain their competitive edge in a rapidly evolving global market.

The importance of supply chain management in the competitiveness of agro-industrial enterprises has also been widely recognized in the literature (Christopher & Holweg, 2011; Hingley, Lindgreen, & Beverland, 2010; Trienekens et al., 2012). Effective supply chain management can help agro-industrial enterprises reduce costs, improve efficiency, and respond more effectively to changing market conditions, thereby enhancing their competitiveness.

Environmental sustainability has emerged as a critical factor influencing the competitiveness of agro-industrial enterprises in recent years, as consumers and regulators increasingly demand more environmentally-friendly products and practices (Bennett, 2018; Kremen, Iles, & Bacon, 2012; Schmidhuber, Pound, & Qiao, 2018). Research in this area has highlighted the potential benefits of adopting sustainable agricultural practices, minimizing waste, and investing in renewable energy sources to enhance the competitiveness of agro-industrial enterprises.

Finally, the role of human resources in the competitiveness of agro-industrial enterprises has been emphasized in several studies (Bitzer, Glasbergen, & Arts, 2013; Pedersen & Lind, 2018; Tey & Brindal, 2012). These studies have underscored the importance of investing in education, training, and capacity-building for employees to ensure that agro-industrial enterprises have access to a skilled workforce capable of driving innovation and maintaining competitiveness in a challenging global market.

## ANALYSIS AND RESULTS

### 1. Adoption of Innovative Technologies

The rapid advancements in technology offer significant opportunities for agro-industrial enterprises to improve their productivity and efficiency, ultimately increasing their competitiveness. The integration of technologies, such as precision agriculture, automation, and digitalization, can enable enterprises to optimize their production processes, minimize waste, and reduce costs (Schmidhuber, Pound, & Qiao, 2018).

Precision agriculture involves the use of technologies, such as satellite imagery, drones, and sensors, to collect real-time data on crop health, soil conditions, and weather patterns. This data can be used to make informed decisions about crop management, fertilization, and irrigation, resulting in higher crop yields and improved resource efficiency (Tey & Brindal, 2012).

Automation and digitalization can also lead to significant improvements in agro-industrial enterprises' operations. For instance, the use of automated machinery can increase the efficiency of labor-intensive tasks, such as harvesting and planting, while reducing the need for manual labor (Pedersen & Lind, 2018). Furthermore, digitalization enables the collection, analysis, and sharing of data across the enterprise, leading to better decision-making and enhanced supply chain management (Sørensen et al., 2010).

In order to ensure the implementation of the above-mentioned law in Uzbekistan, special priority tasks have been set for attracting investments to strengthen the field of storage and processing of agricultural products for the year 2023. Section III of this law sets priorities



for reducing state participation in industry management and increasing investment attractiveness. This, in turn, means that further development of this field has not lost its importance today.

#### 2. Development of Human Resources

A skilled and knowledgeable workforce is critical for the success of any enterprise, including those in the agro-industrial sector. Investing in the development of human resources can help agro-industrial enterprises attract and retain talented employees, foster innovation, and improve overall competitiveness (Bitzer, Glasbergen, & Arts, 2013).

To develop their human resources, agro-industrial enterprises should focus on providing ongoing training and skill development opportunities for their employees. This can include both formal training programs, such as workshops and seminars, as well as informal learning opportunities, such as mentoring and job rotation (Klerkx, Aarts, & Leeuwis, 2010). Additionally, enterprises should promote a culture of continuous learning and improvement, encouraging employees to stay up-to-date with industry trends, best practices, and technological advancements.

#### 3. Improvement of Supply Chain Management

Effective supply chain management is essential for agro-industrial enterprises to maintain their competitiveness in an increasingly globalized market. By optimizing their supply chains, these enterprises can reduce costs, improve efficiency, and enhance their ability to respond to changes in market conditions (Trienekens et al., 2012).

Improving supply chain management can involve various strategies, such as implementing just-in-time inventory management, fostering collaboration and information-sharing among supply chain partners, and utilizing technology to track and analyze supply chain data (Hingley, Lindgreen, & Beverland, 2010). These approaches can help agro-industrial enterprises minimize inventory and storage costs, reduce lead times, and ensure the timely delivery of products to customers.

Furthermore, adopting a demand-driven supply chain model can enable agro-industrial enterprises to better anticipate and respond to fluctuations in consumer demand. This involves integrating real-time market data and consumer insights into supply chain planning and decision-making processes, allowing enterprises to adjust production levels, pricing strategies, and distribution channels accordingly (Christopher & Holweg, 2011).

#### 4. Focus on Environmental Sustainability

Environmental sustainability is becoming increasingly important for agro-industrial enterprises, as consumers and regulators demand more environmentally-friendly products and practices. By

adopting sustainable practices and reducing their environmental impact, agro-industrial enterprises can enhance their competitiveness, while also contributing to global efforts to address climate change and other environmental challenges (Bennett, 2018).

Some strategies for promoting environmental sustainability in the agro-industrial sector include implementing sustainable agricultural practices, such as conservation agriculture, organic farming, and agroforestry, which can help reduce soil erosion, improve water quality, and preserve biodiversity (Kremen, Iles, & Bacon, 2012). Additionally, enterprises can invest in renewable energy sources, such as solar and wind power, to reduce their dependence on fossil fuels and minimize greenhouse gas emissions (Sims et al, 2014).

Agro-industrial enterprises should also strive to minimize waste and promote resource efficiency throughout their operations. This can involve adopting circular economy principles, which emphasize the reduction, reuse, and recycling of materials, as well as the use of biodegradable packaging and other environmentally-friendly materials (Geissdoerfer et al., 2017).

#### 5. Investment in Research and Development

Investing in research and development (R&D) is crucial for agro-industrial enterprises to maintain their competitiveness and drive innovation in the sector. Through R&D, enterprises can develop new products, processes, and technologies that can help them stay ahead of their competitors and adapt to changing market conditions (Spielman, Ekboir, & Davis, 2009).

R&D investments should be focused on addressing the specific needs and challenges of the agro-industrial sector, such as improving crop yields, enhancing resource efficiency, and reducing environmental impacts. Collaborative R&D efforts, involving partnerships between agro-industrial enterprises, research institutions, and government agencies, can help pool resources, share knowledge, and accelerate innovation (Alston, 2010).

### CONCLUSION

In conclusion, the competitiveness of agro-industrial enterprises is essential for their long-term success and sustainability in a rapidly evolving global market. By focusing on the adoption of innovative technologies, development of human resources, improvement of supply chain management, emphasis on environmental sustainability, and investment in research and development, these enterprises can strengthen their competitiveness and ensure continued growth. Implementing these strategies can help agro-industrial enterprises overcome the challenges they face



and contribute to a more sustainable and resilient global food system.

As global demand for food continues to grow, it is crucial for agro-industrial enterprises to remain competitive and adapt to the changing market landscape. By addressing the key areas outlined in this article, these enterprises can not only maintain their market position but also contribute to the broader goals of food security, environmental protection, and socio-economic development. Future research should continue to explore innovative approaches and best practices to enhance the competitiveness of agro-industrial enterprises, ensuring their long-term success and sustainability in an increasingly complex and challenging global market.

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