

## USING MARKETING STRATEGIES TO SUPPORT THE EXTERNAL ECONOMIC ACTIVITIES OF ENTERPRISES

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**Abstract:** Recently, significant attention has been given to entrepreneurial activities in countries around the world, including our own. Entrepreneurship is becoming increasingly important for the development of the national economy. In entrepreneurial activities, marketing serves as an effective tool and foundation for decision-making and development. It plays a crucial role in the management system of entrepreneurial activities, including organisation, planning, and control.

**Keywords:** Marketing theory, Modern marketing, activity of industrial enterprises, buyers and consumers.

### **Introduction**

Since the liberalisation of foreign economic activity, special attention has been paid to the organisation and management of foreign trade operations in Uzbekistan. Foreign trade is a very complex organizational and management business. Entering the world market, Uzbek enterprises must face tough competition. Marketing strategies must be used effectively to survive and succeed in this battle.

Marketing strategies for entering the international market equip the enterprise with a clear program of action, and marketing support for foreign economic activities allows the enterprise to take into account the requirements of specific foreign markets, specific consumers, their development trends and prospects, and at the same time, influence these markets in a favorable direction. It is based on the use of marketing strategies that most commercial operations in the world market are carried out. Thus, the effective use of marketing strategies in the foreign economic activity of the enterprise plays an important role in increasing business efficiency, achieving high indicators, as well as increasing the competitiveness of the enterprise in the international market.

### **Analysis and results**

Tasks of JSC "Maxam-Chirchik" joint venture - The activity of each industrial enterprise consists of production, re-production and trading processes. The activity of the enterprise in the field of production is manifested in the preparation and organization of the production of new

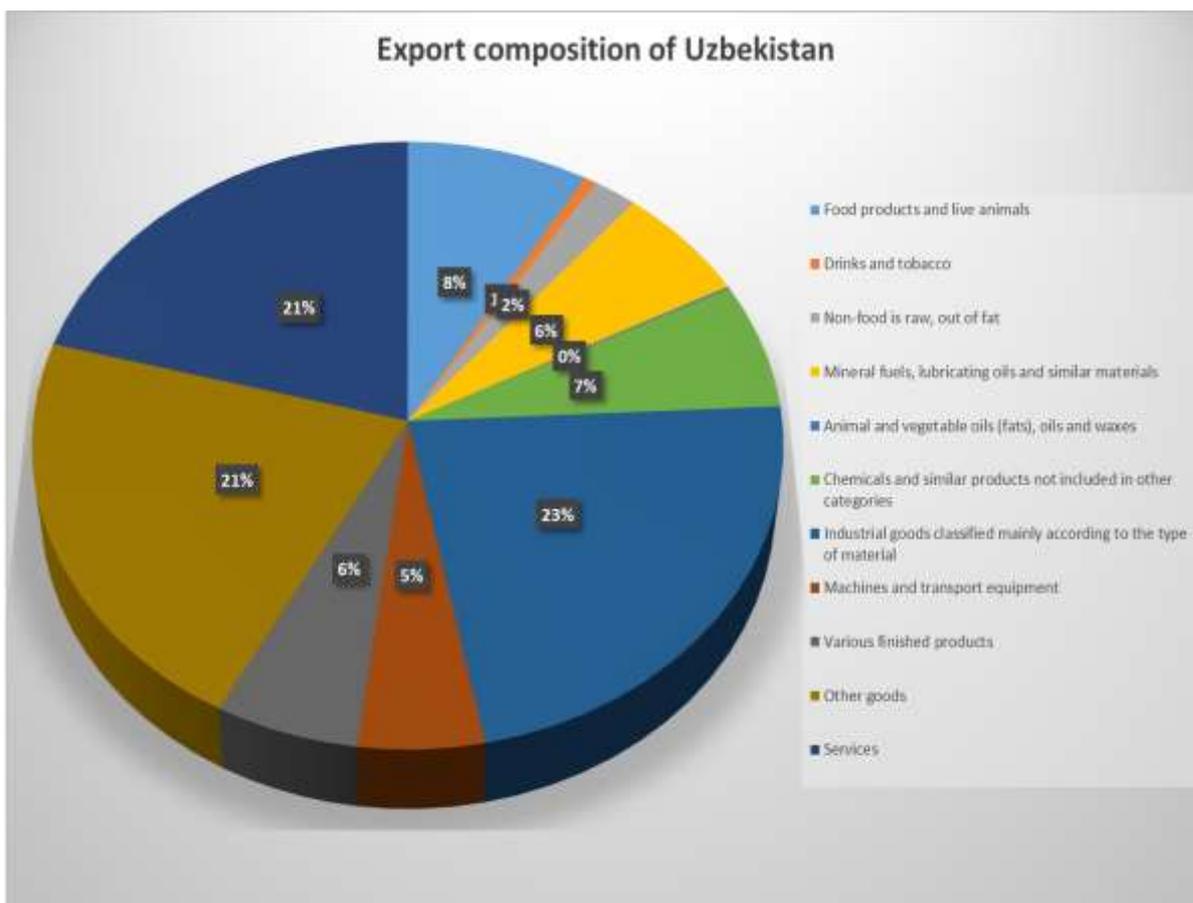
products. activity in the field of reproduction is reflected in the processes of recruitment of labor force, personnel training and improvement of their qualifications, renewal and expansion of production facilities. Activity in the field of trade is visible in the organization of material and technical support of production, sale of products (work, services) and return of used means of production in the form of income.

In studying JSC "Maxam-Chirchik" as a socio-economic system, it is necessary to consider two constituent parts of it - the system itself (enterprise) and the external environment in which it operates. The internal environment of "Maxam-Chirchik" JSC consists of means of production, money, information and human resources.

As a result of the interaction of the internal environment, a finished product appears, work is performed and service is provided, that is, a properly organized production and labour payment activity occurs.

The connection of the enterprise with the external environment takes place in their exit to the external system (attracting resources, determining their value, timely delivery of raw materials, materials and products, etc.). It is manifested in the process of influencing the external environment with the help of the flow of manufactured goods and services.

The external environment that determines the effectiveness of the joint enterprise of Maxam-Chirchik JSC is primarily product consumers, suppliers of raw materials and other materials, as well as government agencies and residents living near the enterprise.



**Figure 1. Export composition of the Republic of Uzbekistan in 2023**

In the conditions of the market economy, the following are the main directions of enterprise activity:

with the help of a comprehensive study of the market and its development prospects, to determine the existing and possible requirements of customers for products and services;

organization of research and development activities for the creation of new models and samples of the product;

production of goods that meet customer requirements;

production planning, programming, coordination and financing;

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organization of product distribution and sales system and its improvement;

It requires management of all activities of the enterprise, including production, sales, advertising, technical service, etc. Below we will get acquainted with the Republic of Uzbekistan export structure (Figure 1).

Taking this into account, we can consider the volume of production of industrial products of the Republic of Uzbekistan by type of economic activity in Table 1 below.

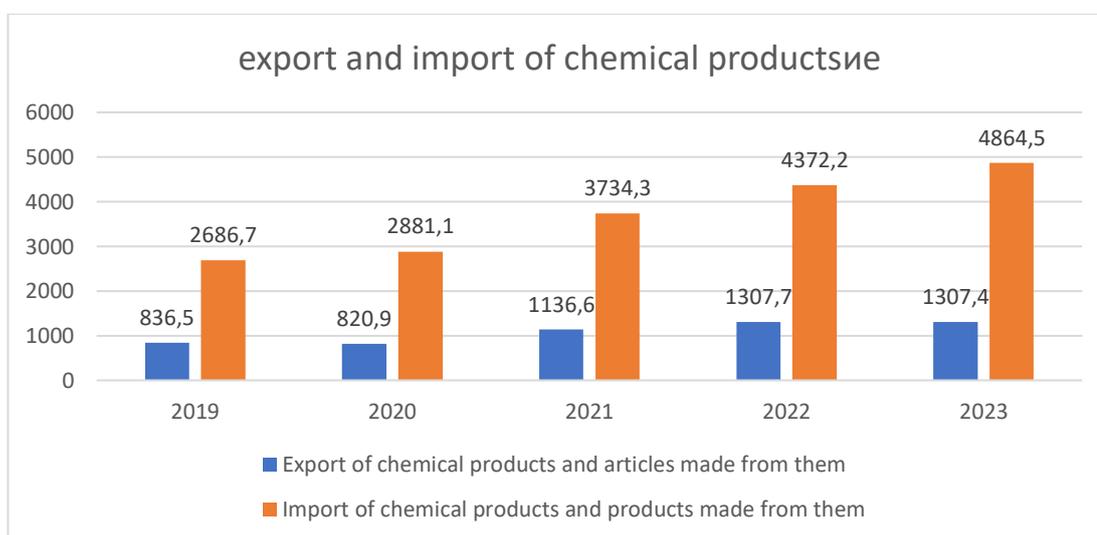
Table 1.

Classifier/years	2019	2020	2021	2022	2023
Mining and open-pit mining	43438,9	33106,9	43872,2	52093,5	55442,0
Manufacturing industry	254860,9	305928,6	378186,4	460491,8	556382,4
Production of food products	35337,3	42314,9	48643,3	57547,3	65678,2
Production of textile products	29946,6	36713,9	52372,3	62850,7	71509,8
Production of chemical products	18974,3	21213,5	28080,7	33639,5	33838,0

### The volume of production of industrial products by type of economic activity

As can be seen from Table 1, the share of production of chemical products in the volume of production of industrial products in the Republic by type of economic activity in 2023 was 33,838.0 billion soum.

At this point, we can see in the structure of exports of the Republic that the share of chemical products and similar products not included in other categories is 7 per cent. Figure 2.



**Figure 2. Export and import volume of chemical products and articles made from them in the foreign trade of our republic**

As can be seen from Figure 2 above, in the foreign trade turnover, the import of chemical products is significantly higher than the export, and the balance in 2022 made up 3,620.3 million and reached \$4,278.9 million by 2023. To improve these indicators, a lot of work is currently being done in our republic, including the decree of the President of the Republic of Uzbekistan dated 10.10.2022 "On approval of the target program for the strategic development of the chemical and gas-chemical industry" No. PD-388 was adopted. The program for the

development of chemical technological clusters aimed at the development of the chemical and gas-chemical industries was approved. According to the program, the following was organized: "Navoi Chemical Technopark", "Fergana Chemical Technopark" and "Karakalpakistan Chemical Technopark";

Management directorates of each technological cluster in the form of LLC under the foundation of "Uzkimyosanoat" JSC;

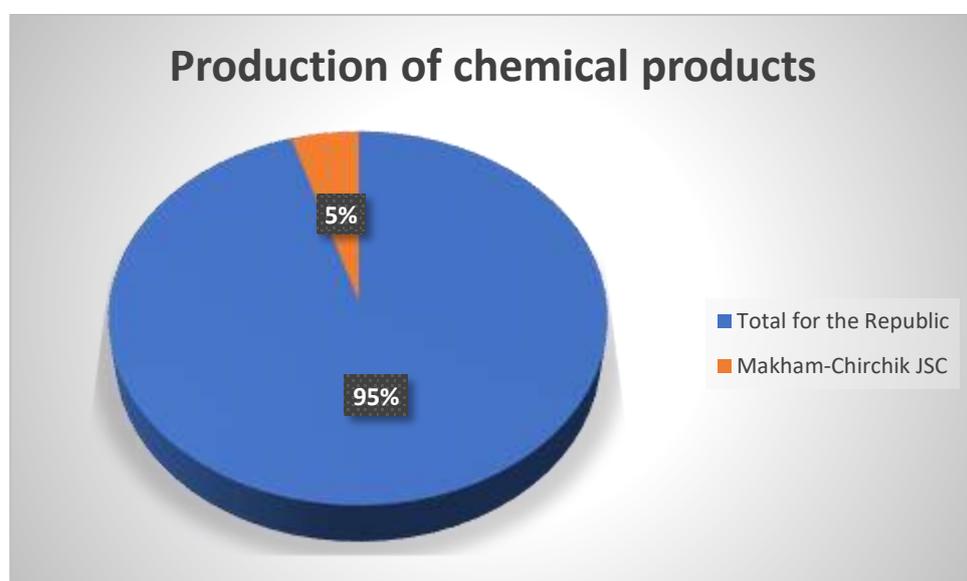
The project office for coordination of activities of chemical and gas-chemical technological clusters within JSC "Uzkimyosanoat".

Following the legislation, tax and customs benefits provided for participants of special economic zones and their directorates are also applied to participants and directorates of technological clusters.

Until April 1, 2023, together with the International Finance Corporation, technical complex studies were carried out at "Maxam-Chirchik" JSC. A strategy for the development of this enterprise was developed on September 1, 2023.

In this, the "roadmap" for the organization and development of technological clusters, the continuation of transformation processes in the chemical industry; and Guidelines for the development of investment projects implemented in innovative chemical technological clusters have been developed.

Now we have the opportunity to consider the share of the above-mentioned volume of "Maxam-Chirchik" JSC, one of the largest enterprises producing chemical products in the Republic of Uzbekistan, in Figure 4.



**Figure 3. The share of "Maxam-Chirchik" JSC in the production of Republican chemical products.**

In 2022, the enterprise sold products worth 1,811.4 billion soums and earned a profit of 317.3 billion soums before tax, net profit after taxes was 253.6 billion soums. amounted to soum.

Actual expenses for the period amounted to 316.2 billion soums, 43.5 billion soums more than the planned amount, including:

- increasing expenses for railway services - 5.5 bln. soum;
- increasing expenses for non-production workshops (repairs and downtime without gas supply) - 20.3 bln. soum;
- court costs, fines and pensions - 2.1 bln. soum;
- at the end of the year, according to Koldogovor, the premium payment is 13.1 billion soum;
- payments according to the court decision for the violation of the use of the object of intellectual property - 5.9 billion. soum.

The positive balance of expenses and income on financial activity is 3,422.6 million soms, and expenses on financial activity are 13,698.2 million soums, income 17,120.8 mln. soum. The Maxam-Chirchik JSC joint venture should expand product sales markets and work to meet consumer demand in the domestic and foreign markets.

The products sold for export of "Maxam-Chirchik" JSC are distributed according to the ratio shown in Table 2.

**Table 2.**

<b>Name of products</b>	<b>Quantity, in tons</b>	<b>the price is a thousand dollars</b>
Ammonia	246,7	47,6
Ammonium nitrate	21 756.3	15,782.1
Urea	80,910.9	16 374.6
Sulphate of ammonium	13 290.1	2 225.3
Kuchzis nitric acid	3 495.4	747,3
KZAS	31 221.4	5 940.9
Diluted urea ammonia mixture	582,5	97

Carbon dioxide	23,7	5,4
Liquid oxygen	36,3	4,1

**"Maxam-Chirchik" JSC composition of products sold for export**

A total of 41,224.3 thousand US dollars' worth of products were exported, fulfilling 70.3% of the assigned task of 58,667.0 thousand dollars.

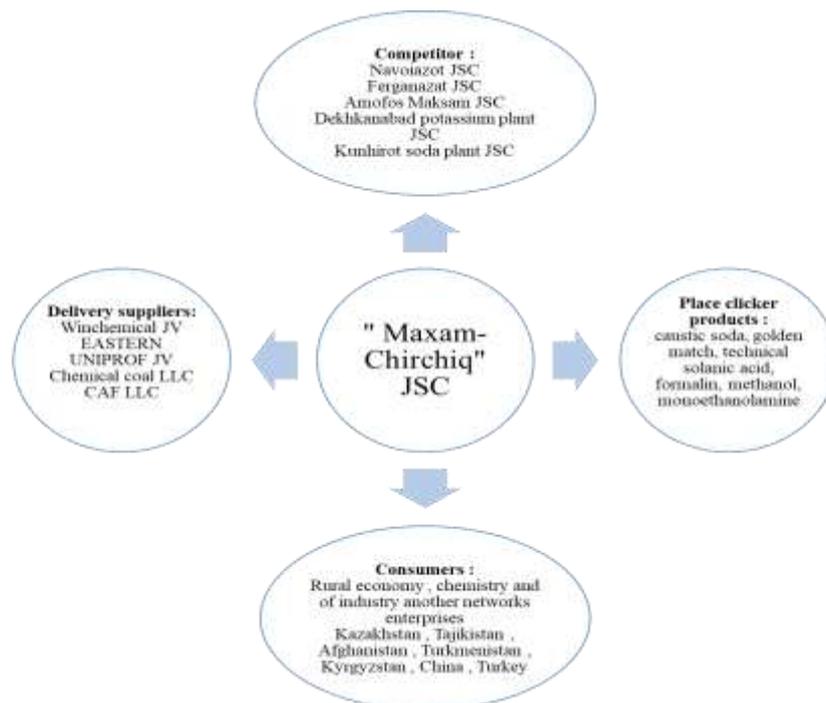
The share of product exports in the total volume of net income from sales was 15.9%.

In 2022, the import of material and technical resources amounted to 8,022.0 thousand US dollars. Among them, foreign currency funds were used:

- to build a more accurate feed of products and suppliers;
- technological equipment - 1,419.3 thousand dollars;
- components and spare parts - 2,009.4 thousand dollars;
- industrial services 734.0 thousand.

It can be said that the downward trend of export profitability negatively characterizes the export activity of Maxam-Chirchik JSC. Therefore, the company should expand its sales volume in the international market and strengthen its competitive position.

A competitive strategy must be based on a comprehensive understanding of the industry structure and the process of its change. No matter what sector of the economy, it does not matter



whether it operates only in the domestic market or in the foreign market, the essence of competition is represented by five forces (according to M. Porter's model): the threat of the emergence of new competitors, the bargaining power of buyers, the emergence of substitutes

for goods or services threat, bargaining power of suppliers, mutual competition of existing competitors [1,p.216]. According to Porter's matrix, the competitive position of "Maxam-Chirchik" JSC is shown in Figure4.

Competitiveness is a characteristic of a product that shows its difference from a competing product in terms of the level of compliance with a certain social need and the costs of its satisfaction [2, p. 182]. Evaluation of product competitiveness is based on the study of customer needs and market requirements. "Maxam-Chirchik" JSC should aim to increase the competitiveness of the enterprise in the international market.

**Figure 4. The competitive position of "Maxam-Chirchik" JSC enterprise according to Porter's matrix**

As a result of the analysis based on the matrix method, a positioning strategy was developed for the company "Maxam-Chirchik" in the foreign market, which is presented in Tables 2, 3 and 4.

**Table 3.**



**Choosing a strategy for the development of foreign economic activity of "Maxam-Chirchik" JSC**

\* Recommended strategic directions are highlighted by the author

Table 4

**Choosing the competitive position of "Maxam-Chirchik" JSC enterprise according to Porter's matrix**

<b>Strategic goal</b>	<b>Declining leadership Expenses</b>	<b>Leadership in product differentiation</b>
Direct competitors	<ul style="list-style-type: none"> <li>- flexible pricing policy</li> <li>- guaranteed profit even when prices drop from your closest competitors</li> </ul>	<ul style="list-style-type: none"> <li>wide range of products</li> <li>- the originality and efficiency of the products</li> </ul>
Power of suppliers	<ul style="list-style-type: none"> <li>- optimization of transport costs</li> <li>- deliver the product on time</li> <li>- delivery without damage to product quality and technical condition</li> </ul>	<ul style="list-style-type: none"> <li>- to improve continuous relations with suppliers</li> <li>- free delivery to regular customers</li> <li>- to return the product if the customer is not satisfied with it</li> </ul>
The power of buyers	<ul style="list-style-type: none"> <li>- providing discounts</li> <li>- providing bonuses for buyers</li> <li>- work based on a loyal customer program</li> <li>- providing vouchers to regular customers</li> </ul>	<ul style="list-style-type: none"> <li>- to gain additional profits by winning the benefits of different consumer groups based on additional sales growth and higher quality and wider choice</li> <li>- replacing substitute products by strengthening relationships with consumers</li> <li>- creating an image of an enterprise that cares about the needs of specific customers</li> </ul>

<p>The threat of substitute products</p>	<ul style="list-style-type: none"> <li>- replacement of substitute goods due to mass production and low production costs</li> <li>- extra profit by increasing sales volume and reducing the market share of competitors with higher prices of similar products</li> </ul>	<ul style="list-style-type: none"> <li>- low price compared to substitute products</li> <li>- constantly changing trademarks</li> <li>- stronger focus on product quality</li> </ul>
<p>Competition between existing competitors</p>	<ul style="list-style-type: none"> <li>- flexible marketing plan</li> <li>- to eliminate the strategies of competitors in the field of product differentiation and market localization due to the low cost of products</li> </ul>	<ul style="list-style-type: none"> <li>- - developing strategies for continuous growth in markets</li> <li>- - to include weaker competitors in its composition</li> <li>- - price advantage in a narrow market segment</li> </ul>

\* Suggested strategic directions highlighted by the author



**Figure 5. Selection of directions for the development of export activity according to the Ansoff matrix and determination of the company's position.**

\*Strategic directions recommended by the author

As a result, a marketing support program for the foreign economic activities of the "Maxam-Chirchik" JSC enterprise aimed at improving the export-import activity of the enterprise was developed.

Implementation of the proposed measures will allow "Maxam-Chirchik" JSC to raise export-import activities to a new level, expand sales markets, take a leading position in the world market, as well as increase the demand for the product and the profit from its sales, which will provide increase the efficiency of the entire enterprise.

It should be noted that at the current stage of the development of foreign economic activity, participation in international electronic trade is a necessary condition. The main goal of international e-commerce is to unify the efforts of all e-commerce systems in the development of international trade, as well as to unify e-procurement processes - to create a "single window" for buyers and suppliers, regardless of their size. geographical location in all countries. The open form of e-commerce ensures the creation of a transparent and effective competitive environment. It is also necessary to take into account the stages of registration of participation in electronic sales.

Participation in international auctions allows "Maxam-Chirchik" JSC to attract consumers (customers) abroad as much as possible, reduce procurement costs, protect against information leakage, and increase the company's profit.

All proposed marketing activities are economically based. The economic efficiency obtained from the implementation of the proposed measures is presented in Table 4. The result of the implementation of the proposed set of measures will provide a significant economic effect in the form of profits of 71 thousand dollars, which will ensure stability. The financial condition of the JSC "Maxam-Chirchik" enterprise can be realized by expanding its export potential and increasing the competitiveness of its products.

**Table 5.**

**The formula for achieving economic efficiency by implementing marketing activities of "Maxam-Chirchiq" JSC**

Suggestions	Calculation formula	Conditional signs	Economic efficiency
Improving the organizational structure of the enterprise's foreign trade activities: creating an export control service	$Y_1 = N - X$	<b>N</b> - the result of the event - an increase in profit; <b>X</b> - is event expenses	$Y_1 =$ 1286,54 mln, soum
Improving the communication policy in the foreign market: - increased participation in international exhibitions and fairs - developing a branding program: improving the packaging concept by introducing a hologram - Opening an international website for the enterprise on the Internet	$Y_2 = \frac{QSA * TB}{100 - KX}$ $Y_3 = N - X$ $Y_4 = \frac{(Rq * TbT)}{100 - (Rx + SaX)}$	<b>QSA</b> - additional sales turnover; <b>TB</b> - trademark for goods; <b>KX</b> - exhibition costs <b>N</b> - the result of the event - an increase in profit; <b>X</b> is event expenses <b>Rq</b> - additional turnover due to advertising; <b>TbT</b> - trademark per commodity unit; <b>Rx</b> - advertising expenses; <b>SaX</b> - additional costs for sales turnover	$Y_2 =$ 1008,19 mln, soum $Y_3 = 902,69$ mln, soum $Y_4 =$ 1035,66 mln, soum
Participation in international electronic commerce	$Y_5 = Tn - TX$	<b>Tn</b> - the result of the event - the profit received from winning the auction;	$Y_5 = 1325$ mln, soum

		<b>TX</b> - accreditation and tender costs	
Improvement of customer service policy: optimization of foreign economic contract terms (CIP → DAF)	$Y_6 = (X_{CIP} - X_{DAF}) * E_q$	<b>X<sub>CIP</sub></b> - enterprise costs under CIP conditions for 1 unit of product; <b>X<sub>DAF</sub></b> - enterprise costs under DAF conditions for 1 unit of product; <b>E<sub>q</sub></b> - annual export volume	<b>Y<sub>6</sub> = 2438</b> mln, soum
Use of the financial leasing mechanism for the purchase of imported equipment	$Y_7 = MX - LX$	<b>MX</b> - the total cost of purchasing equipment using alternative options; <b>LX</b> - is the total cost of purchasing equipment through leasing	<b>Y<sub>7</sub> = 719</b> mln, soum
<b>Overall economic effect</b>	$Y = Y_1 + Y_2 + Y_3 + Y_4 + Y_5 + Y_6 + Y_7$		<b>Y = 8715,08</b> bln, soum

In this context, the current marketing activities and their implementation by 'Maxam-Chirchiq' JSC are not satisfactory, and systematic work needs to be carried out in this regard.

### Conclusion and Suggestions

In conclusion, it can be said that in recent years, the chemical industry in Uzbekistan has further developed, and regional structures have improved. This is of significant importance for the rapid development of Uzbekistan's economy. This is because the regional organization of chemical enterprises is influenced by various geographic factors:

Changes in ownership forms within the sector, support for entrepreneurship, the population in the regions, the abundance of labour resources, and their employment and consumption all play a role. As a result, these factors create opportunities for the formation of large and numerous small chemical industry enterprises in the region.

The high potential of natural resources and the richness of local raw material resources in the Republic have led to the establishment of chemical industry enterprises in these areas.

Currently, the government's developing chemical and petrochemical strategy envisions extensive investments in this sector. However, exploration and extraction located at the upper end of the value chain in certain regions, still hold strategic importance and may remain under state control. This applies to all major projects in the strategic sectors of cotton and grain production and fertilization. According to Uzkiyosanoat forecasts, these should remain fully state-owned, though consideration could be given to organizing final product manufacturing in collaboration with private investors.

At the same time, Uzbekneftgaz has shown a clear interest in significant investments in the charter capital of gas processing enterprises and the subsequent production cycles of petrochemicals and polymers. Since these two enterprises utilize the same natural resources, they have products transmitted through their value chains, and the government controls raw material supply, energy provision, and to some extent, product sales. If the sector develops, proper coordination would be justified.

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