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Factors Shaping The Development Of The Polyethylene Plastic Products Market: Evidence From Namangan Region And Directions For Sustainable Growth

Isaqov Oybek Jamoliddinovich¹

1. *Namangan State technical university, Uzbekistan*

* Correspondence : bekanew-86isakov@bk.ru

Abstract: The development of the polyethylene plastic products market is increasingly influenced by the interaction of production capacity, raw-material conditions, technological renewal, market demand, financial access, competition, digitalization, and environmental requirements. This study examines these factors using evidence from Namangan Region. The empirical basis combines official statistical information for rubber and plastic products with findings from recent international research on small and medium-sized enterprises (SMEs), circular economy practices, eco-innovation, and plastic-product recycling. The regional statistics show a substantial expansion of rubber and plastic product production between 2016 and 2024. At the same time, the available statistical category is broader than polyethylene alone, which limits direct measurement of the polyethylene segment. The analysis therefore distinguishes between observable sectoral dynamics and polyethylene-specific implications. The results indicate that sustainable market development depends on technological modernization, more reliable material supply, stronger SME cooperation, improved access to finance, digital production and market management, and the formation of local recycling chains. The findings support a transition from a linear production logic toward more resource-efficient and circular business practices.

Keywords: polyethylene products; plastics market; SMEs; market development; technological modernization; eco-innovation; circular economy; recycling; resource efficiency.

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1. Introduction

Plastic materials occupy an important position in contemporary production because their technical properties, relatively low weight, versatility, and processing possibilities allow them to be used across construction, agriculture, food packaging, retail, household goods, and other activities. Polyethylene is particularly important within this group because it is used in films, packaging materials, containers, pipes, household products, and numerous intermediate applications. Consequently, the development of the polyethylene products market has implications not only for manufacturing output but also for supply chains, employment, SME competitiveness, and resource efficiency.

The economic significance of the sector is accompanied by a structural challenge. Growth in plastics production and consumption increases the volume of post-consumer and post-industrial waste. The OECD emphasizes that the plastics lifecycle remains far from circular and identifies stronger recycled-plastics markets, technological innovation, domestic policy measures, and international cooperation as important levers for improving plastics sustainability [1].

For SMEs, the transition toward circular and resource-efficient production is especially important because smaller firms often operate with limited investment capacity while remaining flexible enough to enter specialized market niches. Dey et al. show that circular-economy practices can contribute to SME sustainability, while implementation requires appropriate resources, competences, and organizational capabilities [2]. Chaudhuri et al. further demonstrate that SMEs working with plastic-waste recycling can combine circular resources with digital capabilities to create customer value and competitive advantage.

Recent empirical studies provide additional evidence. Bag et al. identify positive links among institutional pressures, eco-innovation, green supply-chain management, circular-economy capability, and SME performance [3]. Rodríguez-Espíndola et al., using evidence from 165 Mexican SMEs, find that government support and customer pressure facilitate circular-economy adoption, while circular practices can support sustainability-oriented innovation and performance. Choudhary et al. show that institutional pressure and resource availability influence SMEs' efforts to reduce single-use plastic consumption [4].

More recent work also points to the need for product-specific circular strategies. Jürgens, Mudersbach, and Endres develop a framework for circular-economy implementation in plastic-product SMEs and show that closed-loop recycling and reuse require customized collection systems and product-specific solutions [5]. Tritto, Dias, and Bassi demonstrate that SME engagement in circular practices varies with both firm-level and country-level conditions. These findings suggest that regional market development cannot be reduced to output growth alone; it should be assessed through the interaction of production, technology, finance, market organization, and environmental performance.

Namangan Region provides a relevant setting for this analysis because official statistics record a pronounced increase in the production of rubber and plastic products. According to the SIAT statistical information system, the indicator rose from 38.5 billion soums in 2016 to 559.0 billion soums in 2024 [6]. This evidence indicates an expanding production base, but it does not by itself identify the size or dynamics of polyethylene production. The distinction is important for avoiding overstatement of the polyethylene segment and for identifying the additional data required for future research.

The literature relevant to the development of polyethylene plastic products can be grouped into four closely connected research directions. The first concerns SME capabilities and circular business development. Dey et al. establish that circular-economy adoption in SMEs is associated with sustainability performance and requires organizational capabilities, resources, and implementation strategies [7]. Chaudhuri et al. focus specifically on SMEs engaged in plastic-waste recycling and find that digital capabilities, together with circular resources, can strengthen value creation and competitive advantage.

The second direction concerns eco-innovation and green supply chains. Bag et al. report that eco-innovation is positively associated with green supply-chain management and circular-economy capability, while these capabilities are linked with SME performance. Rodríguez-Espíndola et al. similarly demonstrate that circular-economy practices can support sustainability-oriented innovation and economic, environmental, and social performance [8].

The third direction addresses plastic consumption and product-level circularity. Choudhary et al. identify institutional pressure and resource availability as important influences on SMEs' reduction of single-use plastics. Jürgens et al. extend this discussion to plastic products by emphasizing product-specific circular strategies, including the use of recyclates, reuse, and closed-loop collection systems. The OECD's global assessment adds a broader policy perspective, highlighting the importance of recycled-plastics markets and innovation for reducing the environmental burden of plastics.

The fourth direction concerns the institutional and territorial context of SME circular-economy practices. Tritto et al. find that SME willingness to adopt circular activities is shaped by both firm-level and country-level characteristics [9]. This is particularly relevant for regional markets, where access to infrastructure, suppliers, finance, skills, and collection systems can differ substantially from national averages.

Taken together, the literature indicates that polyethylene market development should be interpreted as a multidimensional process. However, there remains a practical analytical gap between the broad international literature on circular SMEs and the regional production evidence available for Namangan. The present study addresses this gap by linking official regional production dynamics with a structured assessment of the economic, technological, market, financial, institutional, environmental, and innovation factors affecting polyethylene-oriented SMEs.

2. Materials And Methods

The study uses a secondary-data and analytical approach. The statistical basis is the SIAT Statistical Information System of the National Statistics Committee of the Republic of Uzbekistan, specifically the annual production indicator for rubber and plastic products in Namangan Region for 2016–2024. Because this official category combines rubber and plastic products, it is treated as a proxy for the wider plastics-related production base rather than as a direct measure of polyethylene output. The analytical procedure combines dynamic analysis, comparative analysis, factor analysis, and scientific generalization. Dynamic analysis is used to identify changes in production volume; comparative analysis is applied to identify structural differences between periods; factor analysis is used conceptually to classify the conditions influencing market development. The factors are grouped into economic, production-technological, market, financial, institutional, environmental, and innovation dimensions. The literature component is based on peer-reviewed international studies addressing SMEs, circular economy, eco-innovation, plastic products, and sustainability. This combination of regional statistical evidence and international literature makes it possible to distinguish empirical observations from broader theoretical implications.

3. Results And Discussion

Official statistics demonstrate a strong upward trajectory in the regional production indicator. Production increased from 38.5 billion soums in 2016 to 65.3 billion in 2017, 119.9 billion in 2018, 156.3 billion in 2019, 165.0 billion in 2020, 217.7 billion in 2021, 315.1 billion in 2022, 517.8 billion in 2023, and 559.0 billion soums in 2024 [10]. The 2024 level was approximately 14.5 times the 2016 level, indicating substantial expansion of the regional production base.

The strongest acceleration occurred after 2021, with particularly rapid growth in 2022–2023. This pattern is consistent with an expanding industrial base and growing capacity in rubber and plastic manufacturing. Nevertheless, the data should not be interpreted as polyethylene production alone. The statistical classification covers a broader product group, and enterprise-level information is required to calculate the precise share of polyethylene products.

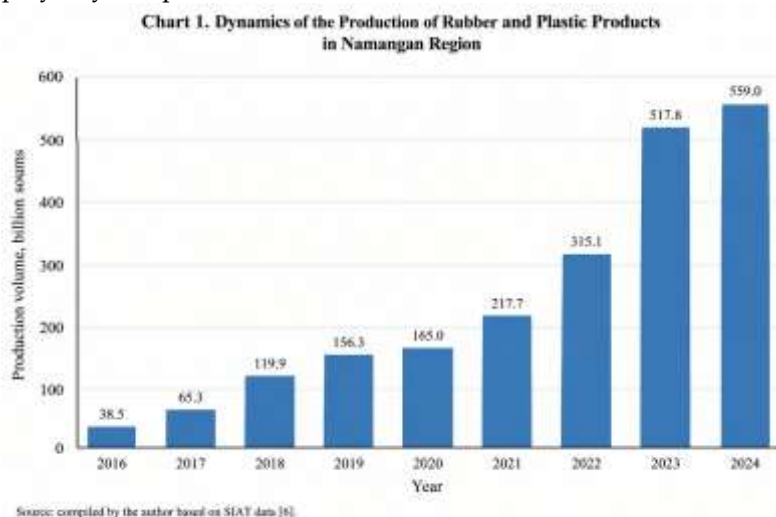


Chart 1. Dynamics of the Production of Rubber and Plastic Products in Namangan Region

Source: compiled by the author based on SIAT data [10].

Raw-material availability is a fundamental economic and production factor. Polyethylene processors depend on stable access to polymer feedstock and predictable procurement costs. Fluctuations in material prices can quickly affect unit costs, working-capital requirements, and the final price competitiveness of SMEs. Therefore, longer-term supplier relationships, diversification of procurement channels, and more efficient material use are important for reducing vulnerability.

Technological capability represents a second major factor. Modern extrusion, film, molding, cutting, and recycling equipment can improve productivity, reduce material losses, and increase product consistency. The literature on circular SMEs suggests that technological capability becomes more valuable when combined with organizational learning and digital competence [11]. For smaller firms, however, high equipment costs and limited investment resources may slow modernization.

Market demand and competition form a third group. Demand for polyethylene products is connected with construction, agriculture, food packaging, retail, logistics, and household consumption. Changes in these sectors affect product mix and capacity utilization. Competitive pressure can stimulate quality improvement, assortment diversification, and marketing activity, but excessive price competition may compress margins and reduce the resources available for technological renewal.

Financial access is particularly important for SMEs because circular production often requires upfront investment while the economic benefits emerge over a longer period. Evidence from international SME studies indicates that implementation of circular practices depends not only on willingness but also on resources, capabilities, and enabling institutional conditions.

Digitalization is becoming a cross-cutting factor. Production monitoring, inventory control, demand forecasting, customer relationship management, and digital promotion can improve operational responsiveness. Chaudhuri et al. show that digital technologies can complement circular resources and strengthen customer value creation in SMEs. For polyethylene producers, digital tools can therefore support both operational efficiency and market responsiveness.

Environmental requirements increasingly affect the competitiveness of plastic-product manufacturers. The traditional linear sequence of raw material, production, consumption, and disposal creates both material losses and environmental costs. International evidence supports a shift toward recycled inputs, product reuse, improved collection, and closed-loop recycling [12].

The analysis identifies a set of interconnected constraints: high capital requirements for modern equipment; instability in raw-material costs; limited financial resources; insufficient collection and recycling capacity; weak cooperation between producers and recyclers; shortages of specialized skills; limited product diversification; and growing competitive pressure.

The recycling problem deserves special attention because polyethylene waste can become a secondary production resource when collection, sorting, cleaning, processing, and quality control are organized effectively. Jürgens et al. show that closed-loop systems require customized collection arrangements and product-specific solutions rather than a single universal recycling approach [13].

For SMEs in Namangan, a practical development direction is the formation of localized cooperation chains linking producers, retailers, waste collectors, recyclers, and users of secondary raw materials. Such cooperation can reduce transaction costs, increase material recovery, and create additional market opportunities. Dey et al. and Tritto et al. emphasize the importance of organizational and institutional conditions for the successful adoption of circular practices by SMEs [14].

Another direction is product and market diversification. Producers can strengthen competitiveness by moving beyond standard low-margin products toward technically differentiated packaging, agricultural films, household products, and other segments where quality, reliability, and service are valued. This requires market research and closer communication with business customers.

Finally, environmental performance should increasingly be integrated into competitive strategy. Eco-innovation, resource efficiency, and transparent communication about

recycled content or waste-reduction practices can support differentiation. Bag et al. and Rodríguez-Espíndola et al. provide empirical support for the link between eco-innovation, circular capability, and broader SME performance [15].

4. Conclusion

The analysis indicates that the development of the polyethylene plastic products market is shaped by a combination of production capacity, raw-material conditions, technology, demand, competition, finance, digital capabilities, and environmental requirements. The Namangan data show a substantial expansion of the broader rubber and plastic production base between 2016 and 2024, while the statistical classification does not permit polyethylene output to be isolated directly. The international literature suggests that SMEs can strengthen their competitiveness through circular-economy practices, eco-innovation, digital capabilities, and more effective resource management. For the regional market, this implies that future growth should not rely only on increasing production volume. Greater emphasis should be placed on productivity, product quality, diversification, recycling, and stronger cooperation among market participants. The priority directions are therefore: modernization of production equipment; improvement of access to investment and working capital; diversification of raw-material procurement; development of local plastic-waste collection and recycling chains; strengthening of SME cooperation; development of specialized human capital; wider use of digital production and marketing tools; and introduction of resource-efficient and eco-innovative technologies. A further research priority is the development of an enterprise-level dataset specifically for polyethylene products in Namangan Region. Such data should cover production volumes, sales, employment, capacity utilization, raw-material costs, recycled-material use, investment, and market channels. This would allow future studies to move from proxy sector statistics toward a direct quantitative assessment of the polyethylene market.

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