

ISSUES OF FINANCING OF INVESTMENTS ATTRACTED TO THE REPUBLIC OF UZBEKISTAN

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Abstract: This article presents the issues of investments in the Republic of Uzbekistan and their distribution, financing and existing problems.

Keywords:. Investment, sustainable development, consumption, financial resource, savings, modernization, domestic, foreign, investment commodity.

Introduction. The further development of Uzbekistan and the world economy is mainly due to the targeted use of investments in sectors and industries and the attraction of investments in the economy of the republic, the development of their sources of financing, ensuring sustainable development of the industry. Clearly defining investment priorities, making science-based investment decisions, attracting internal and external financial resources, taking into account all the conditions, on the basis of rational investment activities, determine the future of the national economy. Finding the necessary financial resources for investment has become a condition of economic growth, which depends on the ratio of consumption and savings. The newly created value in the national economy, that is, national income, is spent for consumption and accumulation purposes. In a broad sense, consumption refers to the use of goods and services produced in the process of meeting the economic needs of society. The part of the consumer fund that falls into the hands of the population in the form of personal income is used for consumption purposes, which is the part of the population's current income that is used for living goods and services. In the process of spending their income, the population has a choice between increasing current (current) and future consumption.

Main part. Today, investing is one of the most important aspects of any business, especially in the context of modernizing the economy. Upgrading the existing material and technical base, upgrading production facilities, developing new activities are the reasons for the need for investment. The opportunity to increase consumption in the future is a fund for the current period, which means that the current income of the state will be accumulated to meet future needs and generate income. Its size is determined by deducting consumer spending from the income of all farms. The higher the share of consumer spending in income, the lower the savings. The growth of the fund means that in economic terms, the funds will be directed from the purchase of consumer goods to the purchase of investment goods.

Investments are divided into domestic and foreign investments, according to their sources. Sources of domestic investment are the state budget, funds of enterprises and the population, bank loans and extra-budgetary funds, sources of foreign investment are funds of foreign countries and firms, as well as international financial institutions. Such grouping of investments by sources also allows to determine their structure by sources. Economic analysis differs in its structure according to the purposes and sources of investment in practice.

Results and discussion. While the sectoral (territorial) structure of investments reflects the share of a particular sector (territory) in investment expenditures in a given period, the structure by type of ownership reflects the share of state and non-state property in the total source and expenditure of investment. The technological structure of investments reflects the share of construction and installation work, equipment and inventory and other costs (design and survey work, management costs, etc.) in total investment costs.

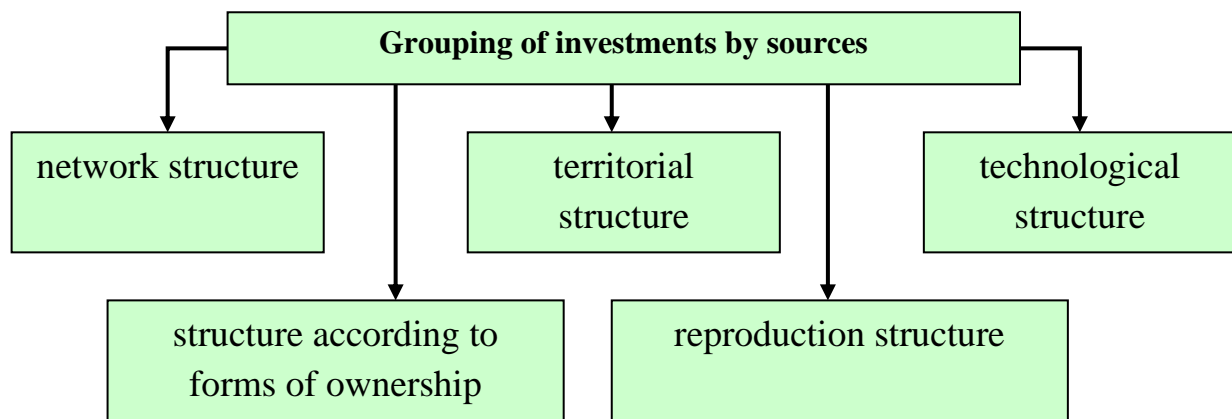


Figure 1. Structure of investments by sources

The structure of reproduction is defined as the share of investment in total construction, expansion, reconstruction and re-equipment. The expansion of privatization and the development of the private sector will result in a different property-based economy. As a result, investment from the state budget will decrease. In such cases, it is advisable to finance projects in the medical, health, science, culture, education and other social spheres, mainly from the state budget. Examples of this are the large-scale construction and commissioning of health facilities, academic lyceums and vocational colleges in our country. Of course, funds are allocated for such purposes from the state budget, local budgets and other sources.

As a result of the consistent implementation of economic reforms, the existing enterprises in the Republic are developing and becoming financially stable. Therefore, new means of self-financing of enterprises for modernization and technical equipment of production, in particular, new means of self-financing of enterprises are being formed.

Self-financing of enterprises can consist of:

- retained earnings of the enterprise;
- depreciation allowance fund;
- funds formed through the issuance of shares;
- special funds.

The source of funds listed above can be used by enterprises to expand their production capacity, build new production, modernize or technologically upgrade, increase working capital. Currently, the state provides subsidies and other assistance to financially support many enterprises. The organization of the investment structure, increasing their efficiency largely depends on the investment policy pursued in the country. In macroeconomic theory, investments, together with household consumption expenditures, government expenditures, and net export expenditures, constitute or account for total expenditures (aggregate demand).

That is:

$$J_x = C + I + G + X_n \quad (1)$$

Here: J_x – total cost (total demand);

C – household consumption expenditures;

I – investment;

G – government spending ;

X_n – net export costs.

There are some differences in the closed and open economy as the main source of investment funds:

- Household funds and government funds in a closed economy: $S = S_p + S_g$ (2)

here: S – the main source of investment funds;

S_p – household funds;

S_g – government funds.

In an open economy, this is compounded by the difference between domestic funds that are exported and those that come in in the form of investments and loans from abroad.: $S = S_p + S_g + \Delta S$ (3)

here: ΔS – The difference between foreign investment and loans depends on the level of economic development of the country, the level of income in the country, the social structure, the economic tasks, the strategy of economic policy.

It is known that part of the gross income (GNP) generated in the national economy is consumed in various forms, and part is accumulated in the above forms. Achieving equality between total investment expenditures on the national economy and gross savings, ie $I=S$ Ensuring identity is one of the important conditions for achieving macroeconomic equilibrium. This identity is not achieved on its own, as households save money not only for use as an investment, but also for unexpected expenses, the purchase of more expensive items. That is, part of the funds will not be added to the investment. In this case, the government should cover part of the investment costs or ensure the above identity by attracting foreign investment, which in turn should create a favorable investment climate in the country. Effective fiscal, monetary, foreign exchange and foreign trade policies, guarantees and benefits for investors, as well as macroeconomic stability are the conditions that determine this environment. In particular, high inflation rates create a state of inflationary psychosis in society, leading to an increase in limited propensity to consume, a decrease in savings and, ultimately, the volume of investment. Income of the population also plays an important role as a source of investment. The attraction of funds from the population's savings to finance many investment projects on the basis of privatization and liberalization in the economy of the country is also growing from year to year. In this regard, it should be noted that in the economies of developed countries, public funds are a necessary source of funding for investment projects. The development of the stock market in developed and developing countries serves as a basis for directing public funds to direct investment. The securities market is also being formed in the country, the accumulation of free funds of the population is carried out in commercial banks, and these funds are directed to more short-term lending.

Conclusions. The main indicators of investment activity at the level of the national economy are:

- Increased willingness of economic entities to participate in investment processes;
- growth of investment (foreign and national) in the economy;
- creation and continuous improvement of a favorable investment climate by the state;
- organization and active participation in various events aimed at organizing and strengthening investment activities (international and national fairs, business meetings, multilateral projects, advertising, etc.);
- qualitative improvement of the investment structure in the economy, etc.

To develop investment activity in the national economy: strengthening the organizational and technological potential of the national economy; focus on non-state investment; measures such as paving the way for farms to operate independently are required. It is important to establish specific principles for ensuring and increasing investment activity.

Given the investment activity and attractiveness of the economy, these principles should include the following areas:

- identification of priorities for attracting investment based on real conditions;
- providing the investment process with a system of scientifically and practically based assessments;
- implementation of preferential credit, tax and depreciation policies;
- improvement of leasing relations and creation of favorable conditions for its use;
- Development of projects at the regional level, taking into account the real features of the national economy.

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