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Important Aspects of Improving The Investment Capacity of Industrial Enterprises

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Abstract: The article presents the importance of improving investment potential at the republican level, the role of investments in the development of the sector, the conditions created for sustainable development and the analysis of the changes carried out on a global scale, the most important importance in the development of the country's industrial economy, as well as an economic analysis of the current state of reforms and reforms being carried out in the coal industry, the implementation of investment projects. The peculiarity of the investment policy implemented in Uzbekistan is the priority given to investment projects aimed at the organization of new production based on high technologies, ensuring deep processing of local raw materials, the principles of which are manifested in the fact that the main importance and factors of assessing investment potential are given, as well as promising reforms being implemented in the country. An analysis of the dynamics and composition of investments made to industrial enterprises and an assessment of the current level of development of the Republic of Uzbekistan: Economic structure and economic indicators are presented. It should be noted separately that the introduction of foreign investments into our country, the establishment of industrial enterprises, will lead to a further increase in the competitive environment in the country's economy to new levels. At the moment, the experience of investing in industry in other countries has been studied, and it is important to compare this at the national level and introduce proven experiences and investment projects. In order to increase the investment attractiveness of our country's industrial enterprises, the state should, first of all, create a favorable investment environment for foreign investors.

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1. Introduction

Today, the intensive development and modernization of industrial enterprises in our country is consistently continued, and great attention is paid to foreign investments, which are considered an important factor in the development of the national economy. Because one of the most important factors in the development of our country's economy is this are investments. In the last six years, our country has received nearly \$50 billion in foreign investment. Last year, both GDP and industry grew by 6 percent. Over the past six years, the volume of investments attracted to our country's industry has increased 7 times. Or, over the past three years, equipment worth \$14 billion has been imported from abroad. The Ministry of Investment, Industry and Trade was instructed to take these projects under special supervision and accelerate them.

Goal 26 of the new Uzbekistan Development Strategy for 2022-2026 states: "Take measures to further improve the investment climate in the country and increase its

attractiveness, attract \$120 billion in investment, including \$70 billion in foreign investment, in the next five years. Establish a new system for the effective use of investments and increasing export volumes, and implement a strategy for attracting foreign and domestic investments by 2026." From this perspective, active economic development requires targeted measures to attract large-scale investments and their rational use.

Today, investment projects are implemented by investors in various fields of activity. In this regard, in a number of economic and legal literature, the classification of investment activities is considered as a separate object of study. The general idea is that the classification of investment activities is directly explained in relation to the type of investment. The economic mechanism for creating an attractive investment environment based on the mutual cooperation of the main participants in the investment process, including state-owned enterprises, investors, involves parallel processes.

Nowadays, world research shows that investment in scientific and technological research is insufficient. Although technology-based small and medium-sized enterprises have the potential in the field of technology, many enterprises still do not invest enough in scientific and technological research. These companies are often unable to make sustainable investments in high-cost scientific and technological research for a long time due to financial constraints, resulting in limited technological development and innovation capabilities.

Investment in the industrial sector occupies a key position in the structure of fixed capital investment in the whole society and can effectively ensure the continuous growth of fixed capital investment. At the same time, as the material basis and technical conditions for industrial development, industrial investment plays a decisive role in improving industrial capacity and competitiveness.

By promoting investment in key industries, key areas and technological transformations, accelerating the pace of repeated replacement of old and new driving forces, and promoting development based on transformation, upgrading and innovation, the supporting role of industrial investment in optimizing the supply structure and improving the quality of supply can be continuously improved, and the steady and healthy economic development can be continuously improved by incorporating strong power. One of the forces that ensure the economic growth of our country is investment and its efficiency. Investment is not only due to the growth of the total volume, but also depends on increasing efficiency.

Literature Review

There are different views and opinions among economists about the economic essence and content of investments. This word can be used in both a broad and narrow sense. The meaning and content of the concept of "investment" has not yet been definitively defined and is being defined in different directions in different areas of economic science. The concept of investment has been defined differently in many foreign literatures. In particular, in some economic literature, investment is considered as capital placed in a specific area in order to obtain a profit. In others, investment is defined as any assets invested in economic activities in order to increase fixed capital.

According to Y. Mitskevich, investment is the attraction of material and financial means, as well as property and intellectual property rights, as an investment in various objects of activity in order to obtain income or achieve social benefits. P. Vakhrin, defining the concept of investment, also considers it a method of investing capital, thereby maintaining capital or increasing its original value and obtaining a positive return. A. Neshitoy puts forward the following view of the concept of investment: "Investment is a long-term placement of funds (capital) in various sectors of one's own or another country, aimed at implementing entrepreneurial projects, socio-economic programs and innovation projects , in order to obtain profit or achieve other benefits"².

2. Materials and Methods

The methodology employed in this study revolves around a comprehensive analysis of the investment capacity of industrial enterprises in Uzbekistan. A mixed-methods approach was adopted to ensure a holistic understanding of the subject matter. This methodology integrates qualitative and quantitative research techniques, utilizing economic indicators, statistical data, and comparative analysis to assess the investment climate and its impact on industrial development. The research draws upon both primary and secondary data sources, including government reports, investment policies, and financial records from industrial enterprises. The study examines macroeconomic trends, legislative frameworks, and infrastructural developments that influence investment decisions. A key component of this research is the comparative evaluation of investment strategies in Uzbekistan against international benchmarks to identify best practices and potential areas for improvement. The methodological framework incorporates an in-depth literature review to establish the theoretical foundation of investment principles and their application in the industrial sector. Additionally, empirical analysis of foreign direct investment (FDI) trends, capital allocation efficiency, and the role of government incentives provides critical insights into investment dynamics. The research also employs case studies to illustrate successful investment projects and policy measures that have enhanced industrial competitiveness. Statistical modeling and economic forecasting techniques are applied to project future investment trajectories and their implications for industrial growth. By synthesizing these various methodological approaches, this study offers a robust and nuanced understanding of the factors shaping investment capacity in Uzbekistan's industrial sector, ultimately guiding policy recommendations for sustainable economic development..

3. Results

It is traditionally proposed to divide this mechanism into two components: management of investment attractiveness from the position of project management and the investor's decision to choose a project for investment, and the presence of special strict principles when making investments, which increases the efficiency of using investments (Fig. 1).



Figure 1. Principles of consistent implementation of investment projects [3].

Industry of enterprises investment potential , industry networks activity develop and modernization in doing important place This potential in evaluation following main aspects and opportunities seeing exit possible:

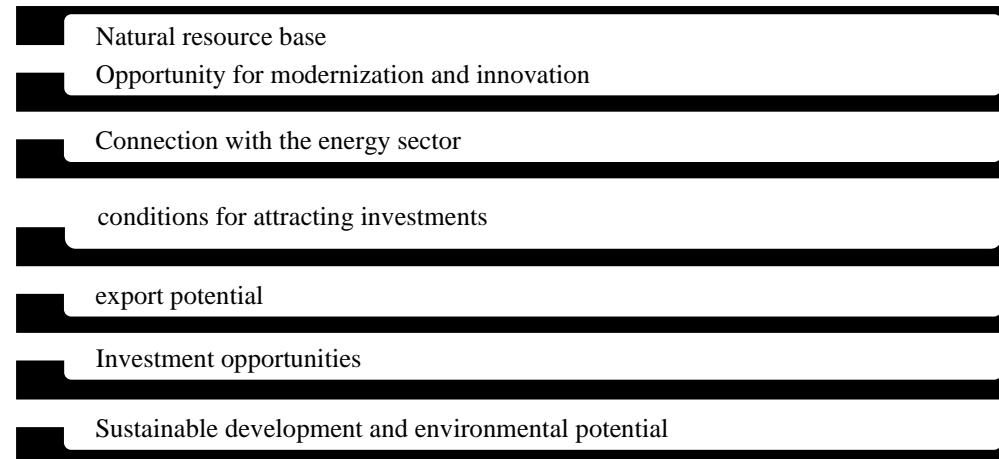


Figure 2. Enterprise investment potential evaluation important factors [4].

Of the industry is strengthened by the stability of the domestic market, the abundance of natural resources, and favorable opportunities for technological modernization. These opportunities are important factors in attracting foreign and domestic investors.(fig.2)

If certain industrial enterprises rely on management principles with a clear solution to improve investment activities, this will lead to high achievements in these activities.

The analysis of the conditions created to improve the investment potential of Uzbekistan's industrial sectors largely depends on the country's economic policy, legal framework, and strategy for developing international cooperation. Below, we analyze the main factors in this regard:

1. Legal and institutional conditions

Improving the investment climate: In recent years, Uzbekistan has reformed its legislation to attract investors. In particular, a number of laws have been adopted to protect foreign investments and provide guarantees for them. Industrial zones: The establishment of special economic and industrial zones (SEZs) has created tax and customs benefits for foreign and local investors. Digitalization: To increase the transparency of investment processes, public services have been digitized, which will save investors time and money.

2. Infrastructure development

Transport and logistics sectors: Roads, railways and international transport routes are being modernized to support industrial enterprises. Energy sector: Large-scale investments are being made to improve electricity and gas supplies, which will create the basis for the sustainable operation of industry.

3. Financial aid and benefits

State financial support: Subsidies and loans are provided for local enterprises and the introduction of new technologies. Tax incentives: Tax breaks are provided for foreign investors in certain sectors (for example, high-tech manufacturing).

4. Investment potential by industry

a. Energy industry: There are great opportunities for solar and wind energy projects.

Chemical industry: The wealth of the raw material base requires the attraction of new technologies.

b. Agriculture and food industry: This sector has great potential for export, and the production of value-added products is developing.

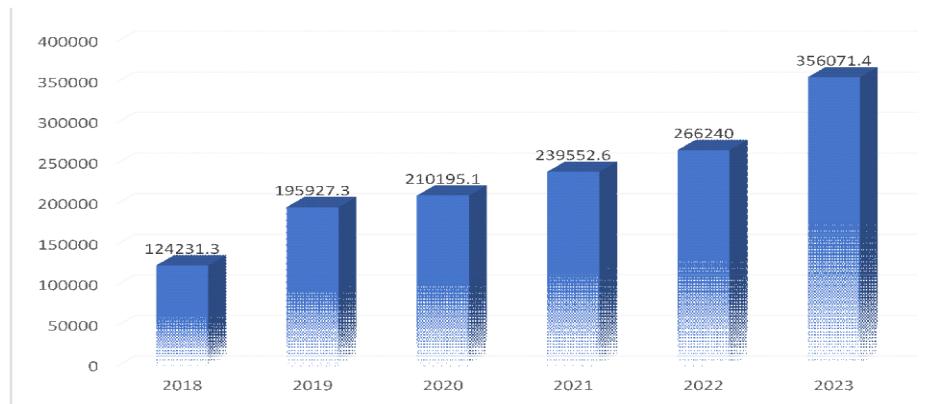
c. IT and technologies: A special ecosystem is being created for digital economy programs and startups.

5. International cooperation and reforms

The attraction of foreign technologies and expertise to the country is being strengthened through cooperation with international organizations. Infrastructure and trade routes are being expanded as part of China's "One Belt, One Road" initiative. Technology Attraction: It is important to increase production efficiency by attracting

innovative technologies. Ensuring stability: Creating stable conditions for energy and resource supply is important in attracting investment. Market diversification: Expanding export markets and attracting investment in new sectors should be a priority.

In 2024, the volume of investments in Uzbekistan's industrial sectors increased significantly. The main indicators are presented below: Processing industry: In January-June 2024, a total of 68 trillion soums of investment were absorbed in this sector, which accounted for 29.6% of total investments in the republic. Of this, 5 trillion soums (2.2%) were directed to the food production sector. Mining industry: In January-February 2024, 36.3 trillion soums (about 2.9 billion US dollars) of investment were made in this sector. During this period, enterprises in the sector produced products worth 10.2 trillion soums,



which is 20% more than in the same period last year.

Figure 3. In Uzbekistan volume of investments in fixed capital dynamics (2018-2023) [5].

If we pay attention to the changes in investments over the years, in 2018, 124.2 trillion soums were invested in fixed capital from all sources of financing for the development of the social sphere and the economy in the Republic of Uzbekistan. We can see that by 2023, compared to 2018, this will increase by almost 3.5 times, which means that a significant increase in investments in fixed capital for the activities of each enterprise in the country will create new jobs and give a great impetus to the development of the economy in a broad sense.

Investing in Uzbekistan's industrial enterprises not only brings significant economic benefits to investors, but also contributes to the development of the region's industrial potential. In recent years, Uzbekistan has been implementing a number of important reforms and measures to increase investment potential. The main works in this direction are listed below:

- Strategic planning and state programs - "Uzbekistan - 2030" strategy: Approved on September 11, 2023, this strategy includes goals such as sustainable economic growth, improving the education, healthcare and social protection systems, improving environmental conditions, and modernizing public administration.
- Establishment of the State Committee for Public Administration and Institutional Reforms-Investments: This committee was established to coordinate, review, and monitor investment projects. This serves to simplify and increase the efficiency of investment processes.
- Improving the legislative and legal framework - Improving the investment climate: Legislative reforms are being implemented to simplify investment processes, protect the rights of investors, and encourage them.
- Ensuring macroeconomic stability - Liberalization of the foreign exchange market: Through the liberalization of foreign exchange policy, business development, foreign exchange turnover, and export and import volumes have been achieved.
- Increasing regional investment activity - Increasing investment activity in the regions: Measures are being implemented at the local level to improve the investment climate,

revitalize enterprises, and attract new investment projects. These measures are aimed at improving the investment climate in Uzbekistan, creating favorable conditions for investors, and ensuring economic growth.

It is worth noting that in our country, organizational work is currently being carried out to apply new techniques and technologies in order to adapt the coal industry to the requirements of a green economy. In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 400 dated May 14, 2019 "On measures to attract foreign direct investment in the energy sector and expand the use of alternative fuel and energy resources", in accordance with Resolutions No. 909 dated November 13, 2019 and No. 998 dated December 14, 2019 "On additional measures to increase the efficiency of management of coal industry enterprises", "Central Asia Energy" LLC was involved in the management of "Uzbekkumir" JSC as a trusted manager with a 90.08% stake in the authorized capital.

The main goal of involving Central Asia Energy LLC as a trusted manager is to develop measures to increase (increase) coal mining, loading, and modernization of the main production facilities of Uzbekkumir JSC.

Current at the time coal network priority develop within main tasks of the following consists of :

- modern mining transport equipment application , coal industry enterprises modernization , restoration and technician again supply , electricity energy working release in the composition coal contribution multiplication on account of coal digging to take step by step increase ;
- high additional valuable final product to take for coal again of work priority directions selection ;
- to the population and budget to organizations delivery given coal digging to take volumes and quality increase ;
- coal network of enterprises financial stability supply , operation expenses , receivables and creditor debts reduction providing finance mechanisms current to do , material and technical update and development for tools with to provide ;
- promising in zones geological exploration their work transfer based on coal raw of the thing backup base increase ;
- coal network qualified personnel with to provide .

In times of crisis activity tactics working "Uzbekkomir" JSC will be in the future working release volumes growth supply , network of activity economic efficiency increase opportunity giving technician again provision and modernization according to projects , investment projects successful implementation to be done still ongoing by bringing is coming , this through future stable to develop ground is creating .

Today The team of JSC "Uzbekkomir" activity direction the network update , technical and technological to modernize aimed at to be , to be in turn , this Uzbekistan economic and social to develop his/her own worthy contribution add opportunity gives . Today on the day in society existing mining 50 percent of the equipment excess physically outdated is technological in the park dump truck , bulldozer , loader and motor graders useful work coefficient average 0.56 organization As a result of economic development, the demand for energy resources is increasing. This is due to the work carried out in the coal mining industry, the economical use of natural resources, and the provision of solid fuel to the population.

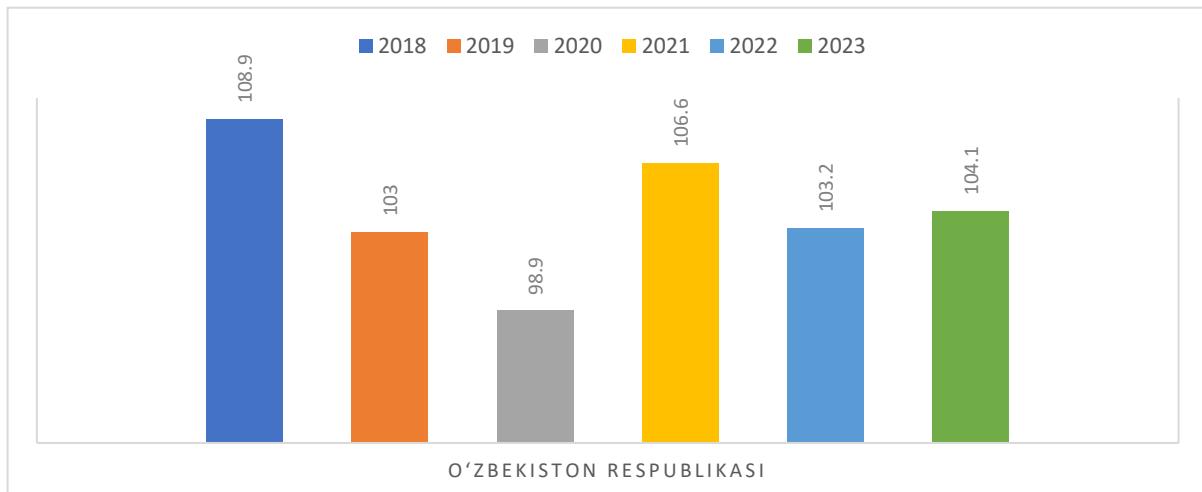


Figure 4. Growth rate of industrial production per capita (annual) [6].

That geological survey work is being carried out at four sites in the Surkhandarya, Kashkadarya and Tashkent regions, and mining operations are planned to begin next year. In addition, at the "Shargunkumir" enterprise 500 thousand per year ton coal preparation factory opens. Advanced foreign from experience used without coal layers assessment and drilling works treatment is doing.

Research shows that today, in the further development and modernization of industrial enterprises, it is important to focus on the theoretical foundations, types, economic significance of investments, what types of investments exist, and how they differ from each other, that is, to study and apply investments by dividing them into types. Accordingly, we can study any other type of investment by including it in investment groups.

4. Discussion

We also studied the opinions of economists on the analysis of the financial and political situation of investment activities, and we can note that the theoretical aspects of market mechanisms for financing investment activities have been studied by a number of economists in their scientific research.

The improvement of the system of financing investment activities in the private sectors of industrial enterprises operating in the Republic of Uzbekistan, along with the increase in investment forms and sources, indicates that we should consider this as a positive trend. The main goal is to develop theoretical rules for managing the investment activities of industrial enterprises.

In order to increase the investment attractiveness of our country's industrial enterprises, first of all, the state should create a favorable investment environment for foreign investors. The practical operation of existing legislation and consideration of measures to reduce various investment risks are of great importance in attracting foreign investors. At the same time, the experiences of countries around the world in investing in industry have been studied, and it is important to compare this at the national level and introduce tested experiences and investment projects.

Current on the day industry in enterprises take going investment of activity main directions showing passed. In our republic industry enterprises in development investment activity take on the way seeing exit important was again other necessary directions offer as brought passed. Analysis of the dynamics and composition of investments made to industrial enterprises and assessment of the current level of development of the Republic of Uzbekistan: Economic structure and economic indicators are presented. It should be noted separately that the introduction of foreign investments into our country, the establishment of industrial enterprises, will lead to a further increase in the competitive environment in the country's economy to new levels.

5. Conclusion

Investments make a significant contribution to expanding the pace and scale of expanded reproduction of the economy, increasing scientific and technological progress and ensuring employment of the population. Therefore, the current institutional changes in the economy, the rational deployment and development of productive forces, along with other factors, depend on the current investment policy in the republic. Analysis of the literature on the topic The President of the Republic of Uzbekistan Sh. Mirziyoyev noted the development of long-term development concepts, the adoption of state development programs of the Republic of Uzbekistan as the first step in this regard, and the establishment of a fund to finance these programs.

Therefore, they are not consumed during this period and are attached to specific objects and processes for a certain period, are allocated in them, in which they are exposed to specific and non-specific risks. In some foreign economic literature, investments are understood as expenditures of funds, the income of which is used not for consumption, but for the reproduction of total social or individual capital, which is aimed at obtaining higher income or social benefits in the future. Thus, the internal and external sources of financial support for investment activities at the macroeconomic and microeconomic levels are fundamentally different from each other.

The need to clarify the classification of sources of financing investment activities is due to objective changes in the process of transition to a market model of investment, the distribution of functions of the state and enterprises in investment processes, the investment market, as well as the development of a system of institutions whose main task is to accumulate investments and then place them in entrepreneurial activity. The process of forming investment potential is directly related to resources, that is, investment sources. In turn, the presence of investment potential is an important condition for their emergence. Creating a favorable investment climate, developing priority areas and directions of investment policy should lead to an investment decision for each individual enterprise. Priority tasks have been clearly defined in order to support the sustainable growth rates of economic and social development of our country.

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