

Ways of Effective Organization of Investment Processes in The Industry Network and the Importance of State Programs

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Abstract

In this article, the essence of the state policy on the effective use of the inputs introduced into the industrial network, and the main goals aimed at it are highlighted. Factors affecting investment attractiveness in industrial network enterprises and investment attractiveness evaluation directions were analyzed. Also, the main dynamics of increasing investment trends in this industry are shown.

Keywords: investment, investment attractiveness, state investment policy, source of investment, industrial enterprise.

Introduction

Capital is one of the main factors for the rapid development of any branch of the economy. Because, starting from a qualified specialist, money is required to have modern technologies, raw materials and other factors of various production processes. Of course, only the state budget or private capital of the population is not enough to finance real sector enterprises. This is especially true in developing countries.

In recent years, the economy of our country has been developing rapidly. For example, in 2023, the volume of GDP will be about 1066.7 trillion. soums, and the growth rate compared to last year was 106.0 percent. Also, the amount of investments in fixed capital is 352.1 trillion. reached 122.1 percent, compared to the previous year.

It should be noted that in the next period, comprehensive reforms are being carried out to increase the investment attractiveness of economic sectors, including the industrial sector, and to attract investments, especially foreign investments.

In particular, the "Development Strategy of New Uzbekistan for 2022-2026" was adopted by the Decree of the President of the Republic of Uzbekistan No. PF-60 of January 28, 2022. According to him, further improvement of the investment environment in the country and increase of its attractiveness, 120 billion in the next five years. US dollars, including 70 bln. measures to attract dollar foreign investments were set as the main goal.

In addition, it was clearly defined the implementation of a new system for the effective use of investments and the increase of export volumes, based on the "bottom-up" principle, as well as the implementation of the strategy of attracting foreign and domestic investments until 2026. Also, the "Uzbekistan-2030" strategy was adopted by the Decree of the President of the Republic of Uzbekistan No. PF-158 of September 11, 2023. According to him, one of the main



tasks is to further increase the investment attractiveness of our country, to ensure an average annual growth of 7% in the volume of investments in fixed capital, to absorb 250 billion dollars of investments in our country, including 110 billion dollars of foreign investments and 30 billion dollars of attracting investments within the framework of public-private partnerships. defined as These measures stimulate the flow of investments into the country.

However, the investments being made are not always effective. It largely depends on its purposeful and correct use. This is evaluated by the analysis of the technological composition of investments and the achieved results, and thus the investment policy of the state is developed to increase the efficiency of investments. In turn, it requires scientific research in this field and expresses the relevance of this research.

Literature Review

The state's investment policy in the industrial sector is a way to attract investment funds to the sector and establish functional directions for the effective use of investment funds to ensure its growth [1].

The state's investment policy represents an integrated model of interaction between all subjects of investment processes at different levels. Its purpose is to direct large-scale capital investments in the industrial sector, which will lead to an increase in the efficiency of enterprises in this sector.

State investment policy is a part of macroeconomic policy, which expresses the state's attitude to investment activity and determines its direction and purpose.

In the formation of the investment policy in the industrial complex, restrictions on the implementation of this policy, management processes of investment activity in the enterprises of the industrial complex, investment climate, etc. take a leading place [2].

The development of the industrial network is directly related to the direct regulation of investment processes by the state, and the state's investment policy in this regard includes investment policies at the micro and enterprise levels.

The state's investment policy at the micro level usually provides for the evaluation of the innovative activity of industrial enterprises, the quality of individual programs and projects related to the development of the industry in competitive conditions, and the purpose of the investment policy at the micro level is as follows [1]:

- assessment of efficiency of investment projects in industrial sectors using quantitative and qualitative analysis, selection of investment projects and determination of its superior (relative and absolute) aspects compared to other projects;
- quality implementation of the selected project.

According to E.V. Makarenko, depending on the nature of industrial enterprises, the investment policy in the industrial complex can be formed in several directions, including [3]:

- encourage investment in the industrial complex;
- approval of priority and established single criteria of competitive advantages of industrial enterprises from the point of view of investment attractiveness;
- providing various benefits and advantages to industrial enterprises of the state that are attractive for investment;
- support the innovative production of existing industrial enterprises, create relatively favorable



conditions for the innovative development of industrial complex enterprises.

The sources of investment in industrial enterprises are private and debt funds, and private sources of investment include the following [4]:

- private financial funds, funds formed from depreciation allocations to the current fixed capital, funds allocated from profits for investment, payments of insurance companies, etc.;
 - attracting funds from the sale of shares and the result of enterprise production;
 - from the sale of trademarks, land plots, software products and obtained patents;
- allocation funds of financial-industrial groups, joint-stock companies and holdings on the basis of the condition of non-return, etc.

According to S.A. Jigarev [5], if the main goal is to modernize production in the industrial sector and increase the efficiency of investment processes, the following are its auxiliary goals:

- development of cooperation and integration, improvement of organizational and economic relations;
- activation of investment processes based on scientific and technical development with the help of material and technical support;
- organizing marketing research and product sales;
- ensure expansion of reproduction based on modernization;
- improving the organization of the use of labor resources, forming social infrastructure.

Research Methodology

Analytical comparison, logical and comparative analysis, grouping and expert evaluation methods were widely used in this research. Also, the research works of foreign and domestic scientists on the topic were widely studied and analytical conclusions were presented.

Analysis and Results

The state policy on the efficient use of inputs into the industrial network brings benefits to the state in four directions:

- 1) increases the development dynamics of the economy and industrial sector;
- 2) enterprises of this network will have the opportunity to transfer some of their functions to the future (creation of social infrastructure);
- 3) there will be an additional effort to increase the pace of development of other industries;
- 4) there will be an opportunity to effectively solve problems related to the development of regions.

Therefore, in recent years, the financial resources allocated within the framework of State programs implemented in our country and the volume of investments reflected high growth dynamics [6].

The main objectives of the state investment policy will be:

- mobilization of necessary financial resources for investment activities;
- implementation of the targeted comprehensive program of the state in the development of the industrial network;
- increase efficiency of capital investments and ensure structural changes;
- improving the social life level of the country's population;
- to encourage investment in industry and metal processing industry;



- choosing the priority areas of investment resources in the network;
- supporting industry enterprises in unfavorable economic conditions by providing benefits to investors;
- supporting the development of innovative activities;
- increasing the payable demand for industrial and metalworking network products.

Enterprise-level investment policy in the industrial network is carried out in the following directions:

- release network enterprises from a difficult situation;
- renewal and modernization of the main production funds of branch enterprises;
- development of innovative activities of branch enterprises;
- improvement of the management system of branch enterprises;
- development of social infrastructure.

It can be seen that the development of the sector is directly dependent on the intervention of the state, and such intervention represents the normalization of the investment environment by optimizing several macroeconomic parameters, and this is an additional effort to activate capital investments in the real sector. In turn, this process stimulates the growth of the economy. In addition, it is necessary for the state to direct "big investments" to this sector in order to carry out collective restructuring changes in all sectors and to qualitatively (innovative) development of the industrial sector.

From the point of view of investments attracted by various investors, the enterprises of the industrial complex are considered to be a sufficiently "risky" object. There are many reasons for such risk, in particular, the investment volume requires a long period of payback. Another important aspect of the issue is that for the investor, instead of investing in the enterprises of this sector, it is possible to get a greater profit by using this investment fund in another field using an alternative option.

Due to the above, the state should encourage investment in the industrial complex and implement the following measures:

- direct state investment in the activities of industrial enterprises;
- control of attracting investments to industrial enterprises and their financial status;
- state support for the education of employees of industrial enterprises;
- creation of separate economic zones for opening industrial enterprises;
- creation of investment funds or participation in the creation of funds;
- establishing cooperation with banks regarding the future development of industrial enterprises.

Studies show that the state pursues not one, but several goals by conducting investment policy in the industrial and metalworking sector. In particular, it is appropriate to point out the following as the most important of them (Fig. 1).



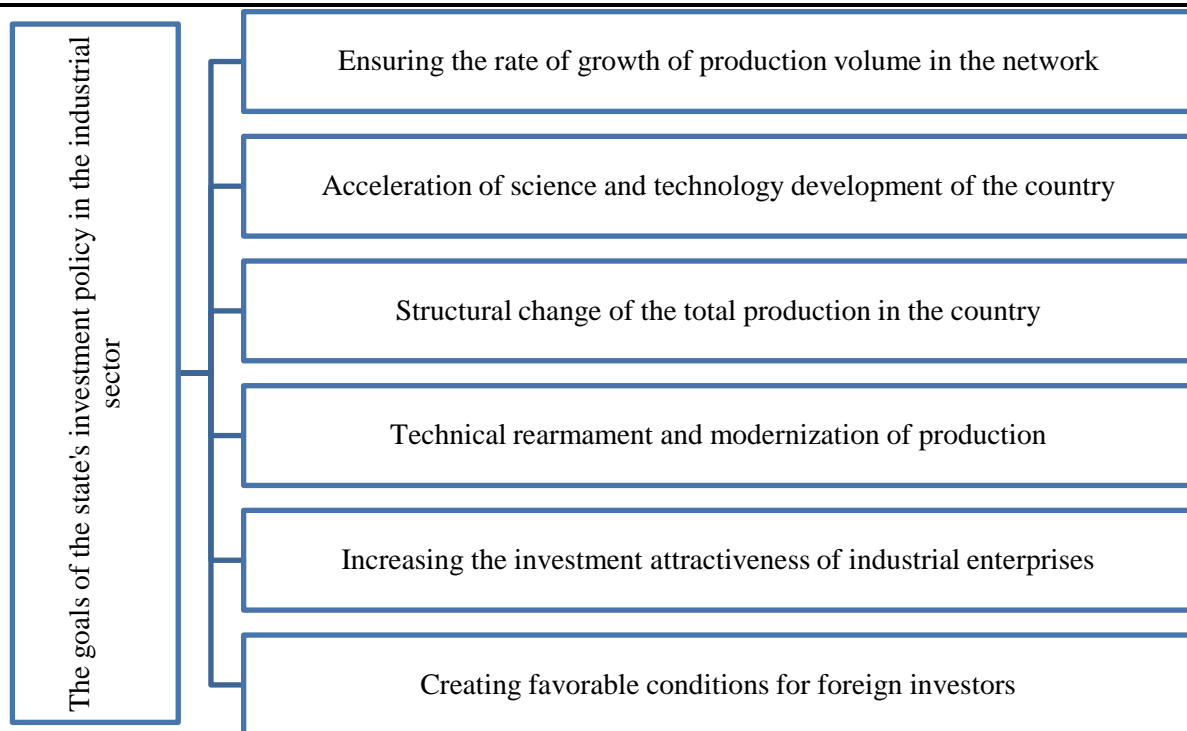


Figure 1. The goals of the state's investment policy in the industrial sector¹

In the industrial sector, investment costs are allocated to depreciation costs and are directed to the replacement and repair of obsolete equipment, buildings and structures, while net investment is directed to the expansion and replenishment of existing physical capital, ensuring the growth of production at subsidiary enterprises.

Foreign investment sources of industrial enterprises include:

- budget funds of different levels, allocations from various funds of entrepreneurship support on the basis of the condition of non-return;
- foreign investments, international organizations, financial institutions, and funds provided by the state;
- various types of debt funds, including loans, non-refundable support funds for entrepreneurs and funds allocated by the state, bank loans, funds from other institutional investors (investment funds and companies, insurance companies, pension funds) and promissory notes and other funds.

However, it should be said that internal funds of enterprises, i.e. depreciation allowances, play a leading role in the main sources of investment, and its share usually exceeds 70 percent. Due to the inflationary processes in the conditions of the market economy, the value of fixed assets is revalued, and therefore the only source of increasing the investment activity of enterprises is the accelerated depreciation of fixed assets.

State investment programs are implemented in the country in order to increase the investment activity of enterprises in the national economy, attract and effectively use foreign investments. These programs serve to re-equip production enterprises technically, implement production

¹ Based on the author's research.



and economy modernization programs, and ensure sustainable economic growth.

The investment program is a set of social, economic and economic decisions that determine the priority directions of capital investments spent on the economy and ways of their effective use. Today, the main directions and measures of investment programs in our republic consist of the following [7]:

- to provide priorities for the implementation of structural changes in the economy;
- creation of a material production base to implement effective measures for import substitution and expansion of export potential;
- organization of competitiveness of products;
- increase the investment activity of enterprises and attract foreign investments on a large scale;
- large-scale attraction of foreign investments for development of production, technical rearmament and modernization, creation of new jobs;
- increasing the level of localization in the production of finished products and spare parts;
- expansion of production of export-oriented competitive products, etc.

The investment attractiveness of network enterprises played an important role in the investment of the industrial network. In this regard, several factors influence the investment attractiveness of enterprises, and this set of factors is conditionally divided into two groups (Table 1).

Table 1 The main factors affecting the investment attractiveness of industrial network enterprises [8]

Internal factors	External factors
<ul style="list-style-type: none"> - financial status of network enterprises; - efficiency of management system; - nomenclature of manufactured products; - diversification of production; - structure and organizational-legal form of enterprises; - openness of enterprises; - openness, reliability and completeness of reporting data. 	<ul style="list-style-type: none"> - characteristics of the network; - system of legal norms; - political and foreign economic environment; - investment attractiveness of the country's regions.

It can be seen that the investment attractiveness of network enterprises expresses complete information about the state of the enterprises, and this state serves as a basis for attracting potential investors and taking risks. Also, the main elements of investment attractiveness in the industry are classified as follows (Table 2).

Table 2 Classification of the main elements of investment attractiveness in industry [5]

№	Investition attractiveness assessment areas	The basic structure of attraction elements
1	Production	Ensuring the growth of production of competitive products, which makes it possible to conduct an efficient business
2	Proprietary	Formation of the management system of the property complex, which provides an opportunity to optimize social and production
3	Selling	Determining the market sales channels of products produced in competitive conditions
4	Financial	Optimization of the main financial factors, significant changes in investment processes, identification of funding sources and assessment of their targeted use
5	Innovative	Optimizing directions of innovative development, focusing on increasing product competitiveness

Today, the participants of investment processes in the industrial network are not only investors (legal entities and individuals who invest money and other resources), but also principals (legal entities and individuals who have the authority to implement investment projects), users of investment activity objects (legal and individuals who create an investment activity object individuals) and investment exchanges, banks, insurance providers and other intermediary organizations are also participants in this process, and investment processes include [9]:

- direct (real) investments in the construction, repair and acquisition of new production facilities;
- bank investments - investment of bank resources;
- investments in fixed capital - acquisition of production equipment and machinery of industrial enterprises and construction of new production facilities;
- intellectual investment - investing in the training and education of specialists and the development of scientific and technical development;
- portfolio investments - investing in shares, bonds and other securities for profit;
- foreign investments - long-term investments in the capital of foreign owners;
- investments in human potential;
- innovative investments;
- risky investments;
- venture investments.

Conclusions

Currently, the following directions are forming the main dynamics in the trend of investing in the industrial sector in many countries in world practice:

- investments in creation of new equipment, use of innovations and modern technologies, implementation of new developments in production;
- investments in production modernization (technical and technological modernization, product modernization, personnel training and modernization of management systems);
- investments in ensuring the competitiveness of the product, improving its quality and increasing energy efficiency, as well as stimulating the production of high-tech industries, etc.

In conclusion, in recent years, the demand for products of industrial sectors with high innovation and scientific-technical capacity has increased in the world markets. As a result of this, significant changes occurred in the export structure of many countries, and the share of products of this sector in the commodity structure of exports increased. As a result, due to the above, many countries began to move to different ways of supporting high-tech industries, and in practice, various forms of financial support for enterprises of this sector began to appear.

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