EVALUATION OF INVESTMENT EFFICIENCY IN NAMANGAN REGION

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Abstract: In the article, the results of the evaluation of the effectiveness of the use of investments in the enterprises of Namangan region were developed. The policy of attracting investments for the development of the activities of enterprises using the researches of foreign scientists is aimed at actively attracting investments and their rational use by using the available funds, time and opportunities, improving the economy of the region, encouraging its integration into the world economic system. In the Strategy of Actions on the five priority areas of development of the Republic of Uzbekistan in 2017-2021, the task of "improving the investment environment, actively attracting foreign, first of all, direct foreign investments to the sectors and regions of the country's economy" is defined.

Key words: Investment policy, investment process, investment project, investment efficiency, economic management, local investment, investment support of the enterprise.

The global economy is poised to experience its strongest post-recession recovery in 80 years in 2021. The US $2 trillion infrastructure bill, part of the Global Investment Plan for Economic Recovery in 2021, focuses on addressing bottlenecks in energy, transport and digital infrastructure, as well as research and development and the green economy. In addition, the EU's 2021-2027 multiannual financial framework (totalling €1.8 trillion) includes €750 billion in investment, alongside a recovery plan, to support technological innovation and rural development[1]. This, in turn, requires the correct implementation of investment policy not only in the country, but also in enterprises, and sufficient consideration of its modern features in optimizing the effective use of investments.

Although the World Bank's semi-annual global economic outlook forecasts indicate a trend that requires an increase in the global economic outlook for 2021, there is a high level of uncertainty surrounding the forecast, taking into account trade and other policy-related assumptions[2]. Global growth is expected to accelerate to 2.5 percent in 2020, down from an estimated 2.4 percent in 2019, as trade and investment gradually recover. Emerging market and emerging economies are expected to accelerate growth to 4.1 percent in 2021, from 3.5 percent last year[3]. However, this acceleration is not expected to be widespread, but rather to be driven by the effective use of investments in the economies of several large developed and developing countries that are recovering from deep recessions or sharp declines. Currently, various research centers, scientists and specialists around the world are conducting research in this area to find optimal mechanisms for increasing investment efficiency and to identify potential emergencies and risks in advance.

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[1] The present document updates World Economic Situation and Prospects 2021 (United Nations publication, Sales No. E.19.II.C.1), released in January 2021. wesp2021_update_1.pdf

[2] **January 2020 Global Economic Prospects: Slow growth, policy challenges.**

[3] World Bank. 2020. Global Economic Prospects, January 2020: Slow Growth, Policy Challenges. Washington, DC: World Bank. DOI: 10.1596/978-1-4648-1468-6.

The investment attraction policy for the development of priority sectors of the economy in the Republic of Uzbekistan is aimed at actively attracting investments and their rational use through the correct use of available funds, time and opportunities, improving the country's economy, and promoting its integration into the world economic system. In this regard, the Strategy of Actions for the Five Priority Areas of Development of the Republic of Uzbekistan for 2017-2021 sets the task of "improving the investment climate, actively attracting foreign, primarily foreign direct investment, to sectors and regions of the country's economy." In this regard, the transition to a market system of economic management in the Republic of Uzbekistan is associated with the formation of a new model of the investment process, and a favorable investment environment stimulates the growth of investments using various state, private and foreign sources. In the context of globalization, the growth of investments depends on scientific and technological potential, which is an important component of economic growth for any country. The investment process is a multifaceted process, influenced by many factors, and knowledge of them is of great scientific and practical importance. Knowledge of these factors, the mechanism of their influence on investment activity and investment efficiency is the basis for developing a scientifically based investment policy and more effective management of the investment process.

Literature review

A number of foreign economists have developed scientific and practical rules about the nature and role of investment activity. Thomas Man, Antoine de Moncretin, William Stafford [4] and other representatives of the mercantilist doctrine for the first time justified the need for state intervention in the formation of investment resources and the influx of foreign investment into the country.

A. Smith, one of the representatives of the "classical" school of political economy, was the first economist to oppose state intervention in entrepreneurship in favor of the free development of market relations and to consider private property as the material basis of entrepreneurial activity[5].

Followers of J. Keynes' approaches to the investment model of society, who received the definition of "neo-Keynesian school", in particular J. Hicks, R. Harrod [6] and others, whose conclusions express ideas about investment regulation models, investment acceleration mechanisms, the relationship between the level of investment activity and the value of the firm, forms of investment lending, the role of innovative investments in macroeconomic support, and the ability of their growth to ensure macroeconomic equilibrium. According to A. Marshall, it is subjective, and it depends on the businessman's calculations: "A smart businessman directs capital investments to all areas of production until they reach the outer limit or the profitability limit."[7]- This serves to justify the measures currently being taken to diversify investments.

M.I. Knysh, B.A. Perekatov, Y.P. Tyutikov "explain investment activity as a set of practical actions of citizens, legal entities and the state to implement investments"[8].

R.Kh. Alimov and others on the directions of improving the investment environment in our country, methods of effective use of investment and their improvement, and modeling of socio-

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economic processes[9], B.A. Begalov., I.E. Zhukovskaya, M.M. Jomolov, A.D. Abdurakhmanov [10], Sh.I. Mustafakulov [11] and U.A. Otajanov [12] have conducted scientific research.

However, since these studies have not sufficiently studied the statistical assessment of the effectiveness of investments in the country and the impact on the economic growth indicators of regions, it is necessary to conduct research within the framework of this topic.

Research methods

Systematic analysis, economic-statistical and comparison, structural analysis, economic-mathematical modeling, forecasting and econometric methods were used in the research work.

Results

Investments are economic resources aimed at increasing the capital of an enterprise, that is, expanding or modernizing the production process. It can be seen from this that all areas and forms of investment support for the activities of an enterprise are carried out at the expense of specific investment resources, which, based on their effective use, increase production productivity and the level of competitiveness of products and contribute to the rapid development of economic processes. In this sense, increasing the volume of investments and creating funds in the Namangan region is of great importance. In particular, changes are taking place from year to year in the structure of investments in fixed capital by sources of financing, which can be seen in the following table (Table 1).

Table 1

Composition of capital investments in Namangan region by sources of financing (in %)

Indicators	2010	2015	2020	2021	2022	2023	Change in 2023 compared to 2010
Own funds of enterprises and residents	72,1	55,5	37,1	38,4	38,4	34,8	-37,3
Funds received	27,9	44,5	62,9	61,6	61,6	65,2	37,3
Of which: state budget	6,5	7,9	7,2	7,1	6,6	2,2	-4,3
Bank loans and other debt funds	13,7	14,7	14,9	15,2	19,2	12,7	-1
Foreign investments and loans	7,8	21,8	40,8	39,3	34,7	50	42,2

Source: Author's work based on data from the Statistics Agency under the President of the Republic of Uzbekistan

The table shows that in the structure of investments in fixed capital in Namangan region, financing from own funds of enterprises and the population decreased in 2010-2023, decreasing by 37.3% compared to the base year and reaching 34.8% in 2023. This, in turn, is explained by the decrease in funds received, or more precisely, an increase in foreign investments and loans by 42.2% compared to 2010.

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If we take the value in current prices, the volume of investments in fixed capital in the region in 2023 amounted to 20734.5 billion soums (130.8% compared to 2022). Last year, the region ranked 7th in the republic in terms of the volume of investments in fixed capital.

The investment activity of an enterprise is an objective process, which has its own logic and develops according to its own laws and plays an important role in the economic activity of the enterprise, since investments, by their economic nature, are a rejection of current consumption in order to obtain future profits. Investment activity plays an important role in the development and effective functioning of the state economy. As confirmation of this, it is necessary to consider the analysis of changes in investments in fixed capital with the volume of gross regional product of the Namangan region (Figure 2).
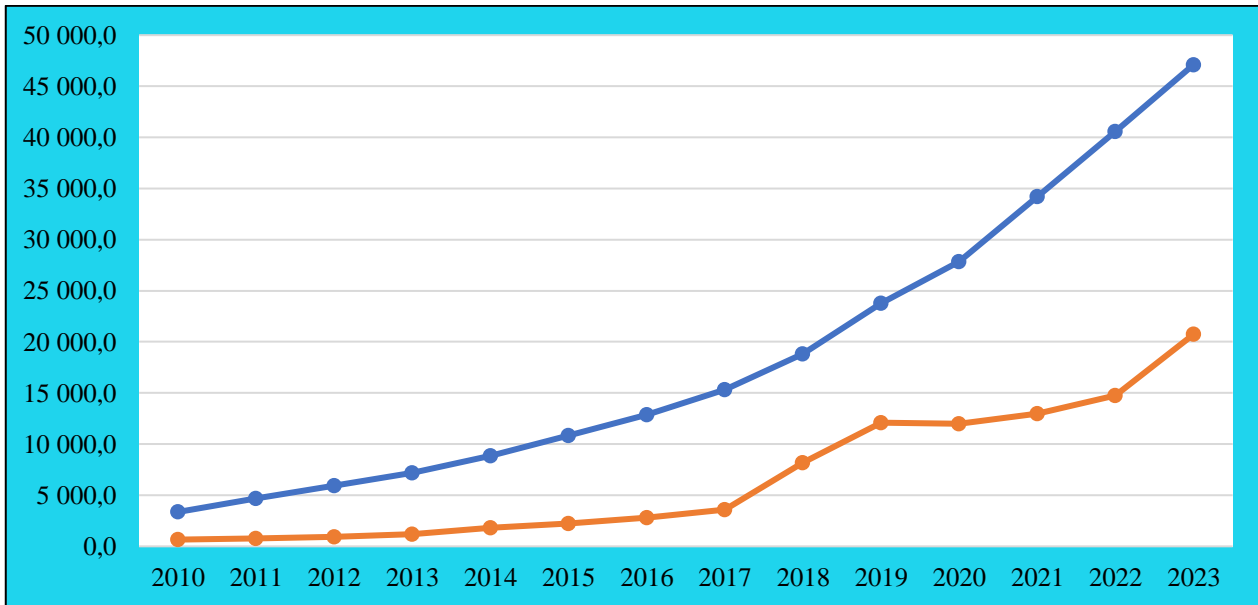
**Figure 2. Growth dynamics of GNP and fixed capital investments of Namangan region**

Based on the data presented in Figure 2, it can be seen that the gross regional product of Namangan region has been growing steadily from 2010 to 2023. However, if we pay attention to the trend of investments in fixed capital, it has an uneven line, with an arithmetic average value of 1749.2 billion soums in 2010-2017 and 13457.0 billion soums in 2018-2022, which is 108.2% of the total for the observed period, i.e. 2010-2023.

As a result, high growth rates of investments in fixed capital were observed in a number of regions of the Namangan region, including in Yangikurgan district - 2.2 times (152.6 billion soums), in Chartok district - 165.0% (57.0 billion soums), in Naryn district - 158.3% (108.2 billion soums), in Uchkurgan district - 123.9% (109.9 billion soums), in Chust district - 121.4% (217.0 billion soums), in Pop district - 115.8% (158.0 billion soums) and in Namangan city - 103.7% (917.1 billion soums). In general, from the point of view of the reproductive function, the investment process at the corporate level performs the task of ensuring the replacement of two obsolete factors of production and thereby ensuring the sustainability of providing production with renewable resources. The innovation function is diverse in terms of: it performs tasks such as maintaining the viability of the production system and commercializing innovations, as well as "amplifying" the effect of the presence of knowledge as a factor of production in the final product. To confirm these tasks, we examine the numerical series function of investments in fixed capital using Excel (Figure 3).
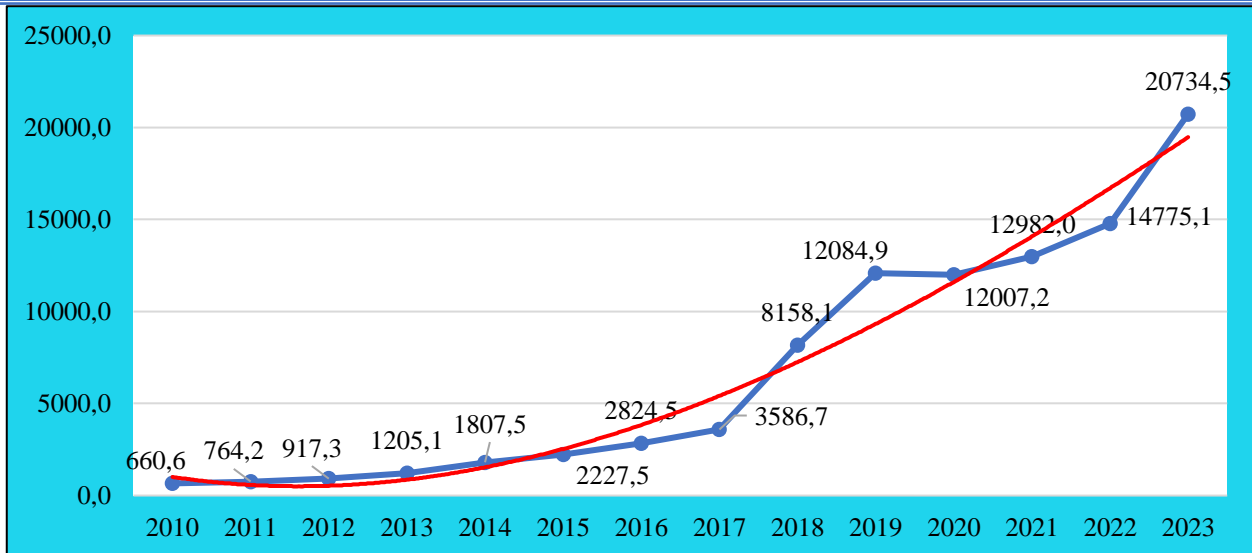
Figure 3. Level 3 trend equation of fixed capital investments in Namangan region

Figure 3 shows the trend line of fixed capital investments in Namangan region P^2=0.9467 when it happened $y = -9,3066 * x^3 + 329.25 * x^2 - 1661,* x + 2608,2$ We have the equation. Here we can say that this trend equation can be approximated to the true curve by raising it to a higher degree, P^2=0,9832 when the following: $y = 0,3494 * x^6 - 15,293 * x^5 + 251,01x^4 - 1929,7 * x^3 + 7224,5 * x^2 - 11912 * x + 7158,6$ the equation is formed. Its trend graph is described as follows (Figure 4).
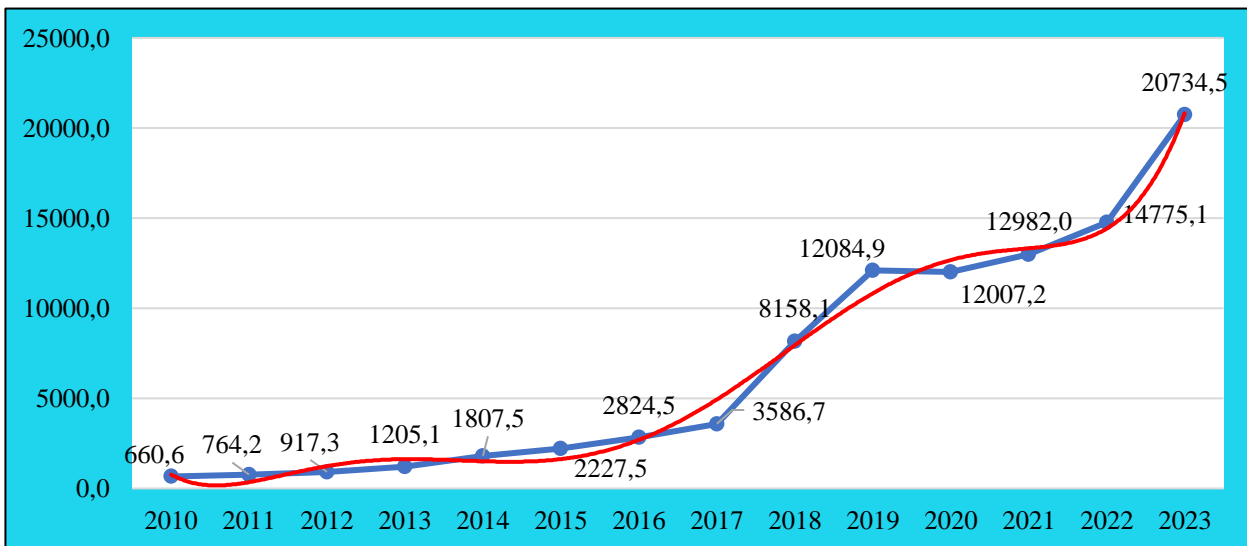
Figure 4. Level 6 trend equation of fixed capital investments in Namangan region [13]

It is worth noting that if we use this trend equation today, we will observe a spontaneous decrease in the volume of investments in fixed capital in the coming periods. This, in turn, contradicts the concept of socio-economic development of the country and the region. This shows that it is impossible to work with established models at all times. Therefore, in our research work, we will continue the analysis using the above 3-degree equation.

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[13] Author's development based on data from the Statistical Agency under the President of the Republic of Uzbekistan

If we pay attention to the trend graph of investments in fixed capital in the Namangan region in Figure 4 above, we can see that the trend graph of investments in fixed capital increased from the actual graph in 2011-2014 and, on the contrary, decreased in 2015-2018.

It should be noted that, despite the reforms carried out to attract foreign and domestic investments to the economy in order to reduce the impact of the pandemic that unexpectedly broke out around the world in 2019, in order to ensure the implementation of the decree "On priority measures to mitigate the negative impact of the coronavirus pandemic and global crisis on economic sectors", it can be seen that the absorption of investments in fixed capital decreased in 2020. This, in turn, also had an impact in 2021. Nevertheless, the consistent implementation of the decisions and decrees issued by our government has led to an increase in the volume of investments in fixed capital in the Namangan region by 4015.3 billion soums in 2023 compared to 2020.

Studies show that the generalization of the scientific views of economists, in particular on the essence of the concept of "investment support of an enterprise", allows us to consider the systemic unity of the processes of formation and use of investment resources, and is determined by the model of investment behavior of the enterprise, and its effectiveness, aimed at socio-economic development, is ensured by the investment security system as its content. The basis of investment activity is the transformation of investments carried out according to the scheme of formation of funds → investment of resources (investment) → profit.

Conclusion

Based on the results of the analysis, based on the main characteristics of the investment activity of enterprises, the following factors can be cited as limiting its development today:

- unsatisfactory state of technical support of enterprises and low level of profitability of investments in fixed capital;

- incompleteness of the regulatory and legal framework for regulating investment processes;

- difficulty in obtaining loans for the implementation of investment projects and lack of personal financial resources;

- insufficient demand for products and high interest rates on commercial loans and the presence of investment risks;

- uncertainty of the economic situation in the country and instability of the exchange rate of foreign currency against the currency of the Republic of Uzbekistan.

The implementation of the model of innovative development of the national economy and economic entities strictly depends on the availability of various sources of investment resources. The search for ways to increase the level of investment support for the enterprise involves the study of the criteria for making investment decisions, in which it is necessary to understand certain conditions of the investment environment. Determining such conditions involves a multi-level approach that takes into account the attractiveness of the external and internal environment.

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