



IMPROVING THE FINANCING OF INVESTMENT PROJECTS OF BUSINESS ENTITIES

Kasimov Jamshid Nortojievich

Independent researcher of Tashkent State University of Economics

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ANNOTATION

The article substantiates the need for an economic analysis of the investment activity of enterprises, explains scientific approaches to the concept of investment, reveals the relationship between the investment activity of an enterprise and the structures of the external environment. The indicators of industrial production are analyzed, the features of the effective allocation of capital at the enterprise as a complex structural structure of the economic system are revealed.

KEY WORDS: *investment, economic analysis, enterprise, industry, economic system, economic growth, type of activity.*

INTRODUCTION

In recent years, the global flow of foreign direct investment has been severely affected by the global pandemic. In 2020-2023, the global flow of foreign investment fell by 3/1 parts to \$ 1 trillion, much less than the lowest point achieved after the previous, global financial crisis. Investment projects related to manufacturing and new infrastructure in developing countries have suffered particularly large losses. This is a big problem because international investiture flows are essential for sustainable development in poorer regions of the world. Increasing investment to support sustainable and inclusive recovery from the pandemic is now a priority of global policy. It provides for the promotion of investment in infrastructure and energy exchange, production and social sectors.

However, at present, scientific research is carried out in developing countries of the world dedicated to improving the practice of financing economic entities investment projects, in particular, increasing the level of their use of new sources of financing, introducing innovative methods into the practice of financing economic entities investment projects of states. In particular, as a result of the high inflation rate in the practice of these countries and the relatively low attractiveness of the investment environment, the process of globalization of World Finance and the introduction of new forms and methods to attract debt capital to enterprises as a form of financial resources at a time when the world economy is integrating, as well as the

In such conditions, the active investment policy carried out in our country serves as an important financial factor in increasing the competitiveness of the country's national economy in the future. In order to increase the industrial and production potential of the Republic, widely introduce high technologies into the economy sectors, expand the attraction of foreign direct investment, create new production facilities in the regions, develop exports, ensure employment and reduce poverty, as well as effectively manage investment projects in the system planning and investment program of the Republic of Uzbekistan for 2022-2026: the aggregate target for the acquisition of centralized and decentralized investments is 2,025,200 crore. to the sum, including 714,278 crore. the addressable program of the acquisition of foreign direct investments and loans in the amount of the sum is indicated. [1] Further increase in the effectiveness of such large-scale reforms and active investment policies carried out in our country, first of all, the development of an excellent systemic financing mechanism based on the experience of developed countries of investment activity. This, in turn, marked the urgency of further improving the financing of investment projects of economic entities in our national economy.

THEMATIC LITERATURE ANALYSIS

Invesvision activity financing theoretical-scientific, methodological and practical problems of methods R.Stobaugh, R.Stoun, N.Abykaev, V.D.Andrianov, B.C.Bard, S.N.Buzulukov, I.N.Drogobyskiy, S.E.Shepetova,



A.B.Belskiy, N.Berzon, Yu.I.Vernadskiy, O.V.Tereshenko, V.V.Bocharov, E.I.Krylov, V.M.Vlasova, M.G.Egorova, D.A.Lavrik, M.M.Prusak, N.M.Sabitova, V.Savelev, A.P.Lure, L.V.Kantorovich, T.S.Xachaturov, D.S. Lvov researched in the scientific work of scientists such as [2-18].

It is worth noting that in the current conditions, the prospective socio-economic effectiveness of the active investment policy carried out in the country is largely based on advanced foreign experience of its financing.

In the current conditions, the prospective socio-economic effectiveness of the active investment policy carried out in the country largely depends on the adoption of systematic decisions on the further improvement of the financing mechanism based on foreign advanced experiments.

Based on this, in this research work, a system of proposals for improving the mechanism of financing investment activities of economic entities was developed.

Since in recent years the role of economic entities in the development of investment projects in the development of the economy, in the development of its priority sectors has become extremely relevant, the legal and institutional foundations for the development of financing of investment projects of economic entities are being improved in our country. In particular, today commercial banks are actively involved in the implementation of investment programs through the extensive implementation of syndicated loans into practice in accordance with international banking standards, including the attraction of foreign banking capital. Of course, such measures require economic entities to conduct an in-depth study of the features and practice of financing investment projects.

In general, the financing of investment projects of economic entities is a component of the investment process and relies on the result of the formation of investment resources and occurs. In turn, it is directly linked to the goal of investing. After all, the passion for achieving the intended goal encourages the investor to raise capital and then mobilize it towards that goal. Already, as the goal is aimed at a certain result, the result, in turn, generates certain goals and, accordingly, forms a sequence that reflects the investment process. The movement of investments in this way occurs through investment activities. Therefore, it is important to know the essence of investment activities as well as financing.

RESEARCH METHODOLOGY

In investment activities, project financing is a form of lending to investment projects, in which the creditor partially or completely assumes the risks associated with the implementation of the project. If in ordinary credit operations of banks, the main importance is given, first of all, to study the creditworthiness of the debtor, to assess his financial and economic situation, as well as the property that he uses as collateral, then in project financing, the focus is on Project analysis. The object of the project analysis is the project documentation, that is, the feasibility study of the investment project, and it will have its own purpose, such as determining the financial and economic efficiency of the project, costs for the project, assessing the sources of financing and risks.

The organization and implementation of investment activities should be based, firstly, on ensuring the dynamics of investments with the effective use of limited resources, and secondly, on reducing risks and costs at the expense of the composition of funds and the efficient use of tax benefits. Ensuring the effective functioning of this principle requires the establishment of a favorable system for the implementation and development of investment activities by the state.

The importance of the successful implementation of investment activities in the development of the national economy is explained by the following: firstly, it makes it possible to establish the production of imported substitute goods and, for this, direct foreign investment into priority sectors of the economy and, ultimately, increase the standard of living of the population; secondly, it will introduce modern techniques and technologies; thirdly, by developing entrepreneurial activity and accelerating the production of agricultural products, it provides the growing population with jobs; fourthly, it promotes the establishment of enterprises that process natural resources; fifth, it updates the outdated production capacities, material and technical base of enterprises and re-Armed technically. It is also worth noting that the main goal of the implementation of an investment project is to receive profit (income) or at least maintain capital value.



The significant increase in the volume of investments in the economy from year to year inevitably allows it to show its positive results through an increase in the volume of national production. As a result of the attention and support given by the state to the development of investment activities, the volume of gross domestic product (GDP) and the amount of investments received growth rates. In particular, the volume of investments in the period 2019-2023 has acquired absolute growth rates. During these years, GDP increased by 1.58 times, while investments in fixed capital increased by 1.53 times (Table 1).

Table 1.
The role of investments in the development of the economy dynamics of determining indicators

Specification	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Gross domestic product, billion. in the surname	511838,1	580203,0	734632,9	766956,7	809906,3
Investments in fixed capital, billion. in the surname	189924,3	210195,4	244963,3	266654,4	289876,8
Construction works, Cr. in the surname	68854,4	37548,4	45802,7	49876,7	52876,1
Foreign trade turnover, (mln. USA. dollar).	42177,8	36256	42072	45110	47408
Exports, (mln. USA. dollar).	17901,7	15102	16611	17987	18976
Import, (mln. USA. dollar).	24276,1	21154	25461	27123	28432
The remnant, (MT. USA. dollar).	-6374,4	-6052	-8850	-9136	-9456

The attitude of international and foreign experts and experts to the consistent continuation of the active investment policy in our country and the assessments given also indicate that our state is implementing economic reforms on the right track and effectively.

Table 2
Sources of financing of investments focused on fixed capital, in the account of a million US dollars

Specification	Year 2020	Year 2021	Year 2022	Year 2023	Growth in 2023 compared to 2020	
					(+,-)	%
Investments in fixed capital	210195,4	244963,3	266654,4	289876,8	79681,4	137,9
<i>including:</i>						
Centralized investments:	49876,2	54675,1	57123,2	61987,1	12110,9	124,3
budget funds	14897,1	18765,1	19321,1	19843,1	4946,0	133,2
State target funds	x	x	x	x	x	x
Children's Sports Development Foundation	x	x	x	x	x	x
Foundation for the development of physical education and sports	26,1	54,2	61,1	67,9	41,8	260,2
Foundation for the development of water supply and sewage systems	1234,1	1967,1	2156,1	2314,8	1080,7	187,6
Foundation for recovery and development	6734,1	8287,1	8402,2	8675,9	1941,8	128,8
Loans under the guarantee of the Republic of Uzbekistan	25437,1	32456,1	36761,3	39876,9	14331,9	156,8
Decentralized investments:	160319,2	190288,2	209531,2	227889,7	67570,5	142,1
enterprise funding	43231,0	45342,3	46767,6	47878,6	46476,0	110,8
population funding	14567,2	18092,1	19786,2	21123,8	6556,6	145,0
foreign direct investment and loans	52432,1	59875,3	64985,1	69217,2	16785,1	132,0
commercial bank loans and other debt funds	22134,0	27890,0	31879,0	34234,0	12100,0	154,7



Analyzing fixed capital investments in the Republic of Uzbekistan by sources of financing, the total volume of fixed capital investments in 2020 amounted to us \$ 210,195.4 million, as of 2023 amounted to us \$ 289,876. 8 million, which indicates that their volume increased by 1.37 times the volume of fixed capital investments in 2023.

The share of foreign direct investment and loans in the structure of investments attracted to Uzbekistan's economic sectors amounted to us \$ 74,566.1 million in 2020, up from us \$ 103,451. 2 million by 2023, which increased their volume by 1.39 times in 2023 compared to 2020.

Creating conditions for a long-term flow of financial resources into the economy is among the priorities. To solve this problem, it is necessary to further simplify the access of companies of the real sector of the economy to traditional channels of capital attraction (bank loans, bonds and shares), as well as, the issue of establishing the use of alternative investment mechanisms, such as direct investments (Private Equity) and crowdfunding, was highlighted in the strategy of action for the development of the Republic of Uzbekistan in 2017-2021 and in the development strategy of the new Uzbekistan for 2022-2026 to create conditions for the long-term flow of financial resources to the economy, the issue of further simplifying the entry of bonds and shares), as well as establishing the use of alternative investment mechanisms such as direct investments (Private Equity) and crowdfunding, has been defined as one of the important areas [20].

Alternative financing in developed countries refers to financing a specific investment project, in which the creditor focuses on the net profit and cash flows (Cash-Flow) from the successful implementation of the project to recover the loan. Cash flows represent cash receipts and payments in terms of Essence [21].

The modern system of financing investment projects of economic entities in Uzbekistan, in our opinion, should be as follows:

It is necessary to strengthen the role of commercial banks in alternative financing of investment projects through:

- they strengthen the deposit base;
- attracting funds from extra-budgetary funds and insurance companies to them;
- to increase the resource base of commercial banks and expand the possibilities of alternative financing of their investment projects by revising and lowering the amount set by them for mandatory reserve requirements;
- introduction of a separate tax rate on the income of commercial banks from project financing.

When financing investment projects of business entities, it is necessary to improve the procedure for the development and preparation of a feasibility study. In this case, it is advisable to build on the "UNIDO" methodology in the development and preparation of the feasibility study of investment projects, which will be carried out on the basis of project financing. This methodology is very useful for a transitional economy and is very applicable not only for new investments, but also for modernization, expansion and wellness projects of enterprises. The introduction (application) of the " UNIDO " methodology is useful for investors, Joint Venture Partners, consulting firms, equipment suppliers, facilitates the interaction of partners with each other and promotes the improvement of the quality of investment proposals. It can be said that the widespread use of the "UNIDO" methodology serves to improve the quality of the investment proposals as well as the technical and economic framework.

Economic entities it is necessary to eliminate the problems that arise at different stages of financing investment projects. As you know, for this purpose, it is advisable to provide a state and individual approach to the implementation of expertise of investment projects, to strictly limit and prevent the facts of bureaucracy, formality and censorship, to increase the responsibility of officials for the results of the examination.

When assessing the effectiveness of investment projects in accordance with the " UNIDO " methodology, it is necessary to take into account cash receipts and outputs in the structure of cash flows by all types of activities (operation, investment and financial). This will help ensure the viability of the project.

CONCLUSIONS AND SUGGESTIONS

As a result of the research on this topic, the following general conclusions were formed:

Based on the research carried out, economic entities developed a definition in a modern interpretation of the content of financing investment projects, according to which financing investment projects is the development



and justification of new advanced innovative ideas that meet the requirements of the present time, providing them logistical and financial.

Since the management of financing investment projects is organized directly depending on the investment project, the need to manage the sources of financing investments in a specific project is the following:

- The advantage of the risk of a decrease in the efficiency of the project in the conditions of financial instability;
- Management of investment projects related to the time process;
- One of the important factors affecting the final result of the implementation of the project is the presence of inflation;
- The presence and effect of various inaccuracies in the space;
- Taking into account the fact that any project will have strong and powerless sides, they will take into account the risks encountered in the process of implementing the project through financial analysis and diagnostics, the need to make decisions on getting out of a crisis situation, the need to develop measures.

In order to improve the financing mechanism of investment projects of economic entities in Uzbekistan, the following proposals and recommendations were developed.

For alternative financing of large investment projects, the mobilization of the resources of several creditors on the basis of a combination and a single loan agreement, and the type of financing based on Project analysis and effective project risk management are called alternative financing.

Economic entities are characterized by the fact that the financing of investment projects has a special system of tracking the implementation of the project, ensuring the successful implementation of the project based on the distribution of existing risks among the project participants. Business entities are the main source of loan repayment when financing investment projects, and the income received as a result of the implementation of the project. This type of financing of economic entities investment projects is determined by the distribution of risks associated with the implementation of the project among the participants and minimization of risk, the main focus of which is on Project analysis.

When financing economic entities investment projects, the country of project placement, the field of activity, the sector, the company, the development plan, etc., the main descriptions of the project, the statement of investments, the supply of raw materials, that is, the participation of suppliers, the impact on the environment, the market of the project product and marketing (customer participation) are envisaged. The main type of project financing is Syndic lending, in which various investors and creditors participate at their own risk and funds, and projects with a clear goal, which are planned to be economically and financially effective.

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