



FEATURES OF INVESTMENT PROCESSES IN THE ECONOMY IN THE CONDITIONS OF THE CORONAVIRUS PANDEMIC

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ANNOTATION

The article examines the features of investment processes caused by the conditions of the coronavirus pandemic and measures taken to mitigate the crisis in the economy.

KEYWORDS: *investments, investment processes, market infrastructure, government support, investment factors, investment activity.*

DISCUSSION

"The strategy of actions in the priority areas of further development of the Republic of Uzbekistan in 2017 - 2021", approved by the Decree of the President of the Republic of Uzbekistan dated February 7, 2017, identified one of the main tasks for the accelerated development of processing industries in all regions of the country. This policy is aimed, first of all, at increasing the share of competitive finished products in the structure of exports, at reducing the economy's dependence on the volatile prices of the world market for raw materials. Without the modernization of production, technical and technological re-equipment of industrial enterprises, the transition to international quality standards, liberalization of the economy in itself cannot lead to the expected results. Therefore, within the framework of the Strategy, targeted investment programs were adopted and implemented, in particular, in export-oriented industries, and at enterprises conducting production localization.

In the context of coronavirus pandemic accelerating and scaling up the process of modernization in the industry has become even more urgent. As you know, the coronavirus pandemic in all countries of the world leads to a decrease in GDP, to the closure of enterprises or to a reduction in production and an increase in unemployment. In Uzbekistan, although there is no reduction in GDP, a slowdown in GDP growth is observed - from 5,6 percent in 2019 to an expected 1,5 percent in 2020, the consequences of the coronavirus pandemic crisis

have affected the well-being of 450 thousand families. Therefore, in order to mitigate and possibly overcome the negative impact of the coronavirus pandemic on the economy, the state is taking large-scale measures. A very important area is the financial support of the state of economic entities. In this direction, in March - May 2020, 16 decrees and resolutions of the President of the Republic of Uzbekistan were adopted and implemented.

Anti-crisis measures of the state are aimed primarily at financial support of enterprises, which is also important for the processing industry. In the condition of a pandemic, business entities, starting from June 1, 2020, are exempt from land and property tax for 3 months, previous tax payments have been postponed, various tax payments have been reduced - in 2020, all this will amount to more than 70 trillion soums. For the period of the pandemic, procedures are being simplified and the conditions of bank lending will be softened, resource sources of bank lending are expanding.

Successful functioning in the conditions of global competition of the national economy and of an individual enterprise depends on the development and implementation of large advanced investment projects. Therefore, an increase in the scale and types of investment activities of enterprises, the innovative orientation of their further development is very important. The crisis phenomena associated with the coronavirus pandemic clearly demonstrate the need and relevance of qualitative changes in the implementation of the investment process, the



introduction of innovations in all spheres of social and economic life. In the context of the crisis, the importance of state support for commodity producers has especially increased, although in principle they should have the ability to financially autonomously operate (economic independence). This is due to the fact that, especially in times of crisis, each enterprise, one way or another, cannot ignore the importance of external sources - material, financial, scientific, etc.

In 2020, it is planned to commission 240 thousand production facilities in Uzbekistan, 16 thousand social facilities and infrastructure. For their implementation, along with other financial sources, it is planned to use funds allocated by the Asian Development Bank, the World Bank and the Japan International Cooperation Agency in the amount of 2.7 billion US dollars. In investment processes, an important place is occupied by the processing industry.

Achievements in the development of processing industries can be seen on the example of light industry enterprises. In recent years, a modern complex for processing raw cotton and selling products of a high degree of readiness has been created. It meets the requirements of the global market. In the country in 2020, 100 percent of the produced cotton fiber is processed, textile products are exported to many countries of the world. Work is underway to open up the markets of developed countries for the products of the textile industry of Uzbekistan. In the textile industry in 2020, US \$ 300 million of foreign direct investment is being mastered. The industry employs 365,000 people and exports US \$ 1.6 billion worth of products. In the next 3 years, the export potential should increase at least 2 times.

Some measures of an institutional and organizational nature are envisaged. It is planned to accelerate the transition in the design of large investment facilities to international standards, and restrictions on the allocation of budget funds for design purposes are canceled. To stimulate investment processes, local investors are equated with foreign ones. So, if a local investor implements an investment project worth more than 25 million US dollars, then the corresponding external communications will be built at the expense of the state.

The need to overcome the negative impact of the coronavirus pandemic on economic development suggests new approaches to the country's industrial policy. The primary task is the rational use of raw materials, the accelerated development of processing industries, the introduction of innovative technologies. The products of the processing industry must become competitive both in the domestic and foreign markets. It should be noted that in recent years, the scale of the introduction and use of advanced technologies in

developed countries has significantly expanded, which has led to fundamental changes in industry. New types of products have been created and the number of new jobs created is consistently growing.

As you know, the use of available local raw materials creates favorable conditions for expanding the export opportunities of industrial enterprises, localization of production. Domestic producers get a number of advantages by using local raw materials, in particular:

- comparative cheapness of local resources and cost reduction;
- overcoming dependence on imported raw materials and mitigating the effects of fluctuations in exchange rates, saving monetary and financial resources;
- and when using high-quality local raw materials, complex technological processes can give better results and the competitiveness of products increases;
- broader opportunities to influence resource suppliers regarding quality, volumes and delivery times.

Rational use of local raw materials is an important factor in reducing costs and increasing the competitiveness of industrial products. Cotton-growing clusters have been created and operated in Uzbekistan since 2018. In 2020, their number reached 96 and they cover the farms of 144 regions of the country. In them, farms produce agricultural raw materials under the direct order of a processing enterprise. In the first place is not the volume, but the quality of the raw materials produced. In addition, quality raw materials are guaranteed to be paid for at a substantially higher price. This organization of relationships between partners allows for a more complete use of local raw materials, which ultimately has a positive effect on the financial and economic stability of processing enterprises. The accelerated expansion of the scale of the use of modern technology and technology improves the overall efficiency of the industry.

It should be noted that in the industry of Uzbekistan, taking into account the prevailing conditions and needs, a set of measures is being carried out, covering the following main directions:

- acceleration of modernization of enterprises, technical and technological renewal of production, widespread introduction of modern rapidly adapting technologies. This is happening in leading industries, primarily in export-oriented and localized industries. The task was set to accelerate the implementation of the adopted sectoral programs for modernization, technical and technological renewal of production, which should strengthen the positions of manufacturers in local and international markets;
- creation of additional conditions in a situation when the current situation is changing, in



order to strengthen the stimulation of exports and strengthen the competitiveness of exporting enterprises;

- the widespread introduction of a saving regime, stimulating the efforts of manufacturers to reduce production costs and reduce production costs.

In modern conditions, the economic measures of the state are aimed at further increasing the investment attractiveness of the real sector of the economy. In particular, they provide for a significant expansion of the freedom of entrepreneurship. The principled approach is that the interference of state structures in entrepreneurial activity is radically reduced, priority is given to preventing violations and increasing the effectiveness of preventive work.

In the condition of the ongoing coronavirus pandemic, significant market and financial risks persist and intensify in industry. Therefore, state support for enterprises remains objectively necessary. The positive results in industrial development achieved in Uzbekistan show that this approach is justified.

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