



THE ROLE AND ATTRACTION OF INVESTMENT IN THE DEVELOPMENT OF ENTERPRISES

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ABSTRACT

Today, the socio-economic development of enterprises and the financial stability of any operating business entity are directly dependent on the investment process. The main direction of the development strategy of each producer should be to attract investment in the national economy. For this reason, it is crucial to study the investment attractiveness of the country, develop proposals and recommendations to increase investment through domestic capital resources and foreign investment and credit, aimed at achieving a high level of economic development of enterprises. The lack of timely access to investment resources in the economy of enterprises, the existing shortage of funds leads to a significant backlog of enterprises in terms of socio-economic development.

KEY WORDS: socio-economic development, investment, investment attraction, foreign investment, investment resources, enterprises

INTRODUCTION

In the framework of the Action Strategy for further development of the Republic of Uzbekistan for 2017-2021, deep economic and social development aimed at liberalizing the economy and reducing government interference in management, modernization, diversification of production, investment attraction and improvement of investment climate, job creation and welfare reforms are underway [1].

The work on the creation of free economic zones, technoparks and small industrial zones which are one of the means of attracting investment to enterprises are becoming increasingly important.

MATERIALS AND METHODS

The analysis of investment activity of enterprises has a long economic history, that is, it has been studied and researched by many economists in the history of economic sciences. In the scientific interpretation of the theory of investment and capital inflows in the history of economics, A. Smith and D. Ricardo, J. Mill and O. Bem-Baverk, representatives of the "Marginal Revolution" are among the creators of the private concept of capital [2].

By attracting investment in enterprises, today enterprises create the following opportunities for the economy of our country:

- construction of enterprises producing import-substituting products;
 - creation of new jobs for the population;
 - increases the volume of private capital of enterprises, which is a factor in
 - expanding the production and strategic development of enterprises;
- enterprises will install updated equipment and technologies in the production process, which will result in the production of competitive national products;
- integration of enterprises with foreign enterprises and organizations.

Hence, investments play an important role in ensuring economic growth, whether at the level of the country's economy or at the level of the enterprise economy.

National manufacturing enterprises need to take certain measures to attract investment in economic activities.

- To have a business plan with strategic prospects;
- It must be able to gain the trust of investors;

The enterprise must operate transparently and openly. The company's accounting documents must be at the required level and the final results of the company's activities must be made public to members of the public. Based on the above, here



should be noted that the investment of investors in the corona economy largely depends not only on the rating of enterprises or the results of economic activity, but also on the political stability of the country and the policy pursued by the state. Investors choose the most sustainable enterprise activities to direct capital to enterprises. Therefore, all enterprises try to do their best to reduce investment risk as much as possible. In our country, as well as foreign companies, certain measures are being taken to increase the attractiveness of the investment climate. And the following factors play an important role in creating favorable conditions for investors in the country to attract the necessary investments in their activities:

- political stability in the country for investors;
- formation of property legislation;
- creation of infrastructure for investment processes in the economy;
- convenient geographical location of the country;
- development of production and richness of the country's mineral resources;
- availability of highly qualified personnel;
- sufficient width of the domestic market.

The benefits and financial incentives for investors are an important factor in investment attractiveness. The creation of these opportunities will ensure that foreign direct investment is directed

to the manufacturing sector, in particular, to enterprises with high export potential.

RESULTS AND DISCUSSIONS

One of the important directions of attracting investments to enterprises is the formation of special economic zones in the country. Navoi, Jizzakh, Angren, Gijduvan, Kokand, Urgut, Khazarasp free economic zones have been established in our country which are now effectively operating and supplying the domestic market with the necessary products.

If we pay attention to the changes in the volume and composition of sources of financing of capital investments in the economy of the country over the past two years, we can see that the volume of investments has increased sharply and the quality has improved.

In January-December 2019, 189.9 trillion soums will be allocated from the total sources of funding for the development of economic and social spheres in the Republic of Uzbekistan. soums (21.5 billion US dollars in dollar equivalent) or 133.9% compared to 2018.

High growth rates of foreign direct investment and loans have been a key factor in achieving high growth rates of investments in fixed assets. They increased by 3.9 times compared to 2018 and accounted for 31.0% of total investments in fixed assets, of which 19.6% (or 3.6 times increase) of foreign direct investment.

Table 1

Distribution of fixed capital investments by sources of financing (in percent) [3]

№	Sources of funding	2017	2018	2019
1	State budget funds	5,5	3,8	7,6
2	Extra-budgetary funds	3,9	5,1	0,9
3	Funds of the Children's Sports Development Fund	0,3	0,3	0,02
4	Funds for Reconstruction and Development	8,5	7,4	3,4
5	Loans guaranteed by the Republic of Uzbekistan	6,5	15,5	14,7
6	Funds of enterprises	29,4	28	20,7
7	Population funds	14,5	11,3	8,6
8	Foreign direct investment and loans	20,4	13,7	31,0
9	Loans and other borrowings from commercial banks	11,0	14,9	13,1

The significant contribution to the development of the economy of enterprises is a positive factor. According to the data for 2019, the share of investments in fixed assets amounted to 37.1% of GDP, an increase of 6.5 percentage points compared to the same period in 2018. Enterprises will need to increase investment to achieve their strategic goals of economic development. To achieve the outcome, firstly, it is necessary to improve the existing mechanism of attracting investment in the enterprise and secondly, to increase the quality and volume of production in

the enterprise and enter the domestic and foreign markets.

It is obvious that it will take some time to go through the stage of improving the mechanism of more intensive attraction of investment funds.

CONCLUSION

In conclusion, the positive solution of the above issues will serve to increase the volume of investments in the activities of enterprises, ensure sustainable economic growth, and ultimately



increase the financial well-being of enterprises,
increase the welfare of the people of our country.

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