

Investment Process and Problems of its Regulation in Developing Conditions of Innovative Activity of Enterprises

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ABSTRACT

The article describes the tasks that need to be solved when developing a system for stimulating investment processes, for which, it is noted in the work, it is necessary to create conditions under which enterprises producing qualitatively new products would be in an advantageous position compared to enterprises that do not produce such products, as well as suggestions are made that it is precisely to solve the above problems that the investment work of enterprises adapted to the introduction of innovative products should be directed, first of all.

KEYWORDS: *investment process, investments, attracted resources, regulation, savings, investment price, financial flow, budget financing, capital investments, tax payments, additional profit.*

Introduction. One of the main tasks that need to be addressed when developing a system to stimulate investment processes is to create economic conditions under which enterprises and associations that produce qualitatively new products would be in an advantageous position compared to enterprises that do not produce such products. It is the solution of these problems that is aimed at investing in the work of enterprises in the creation, development and implementation of new technology.

Today, there are various reasons for enterprises to invest in equipment: to expand operations, because the profit received from the sale of an expanded production volume contributes to the attractiveness of such investments; enterprises are also investing in the reconstruction of existing equipment to increase cost efficiency, since with better equipment performance, production costs can be reduced; investments can also be made to implement both a large and small marketing program, to increase sales volume and overall profit.

To improve the efficiency of investments, as well as to implement the investment policy of the enterprise as a whole, investment planning is often used to increase the profitability of alternative investment projects characterized by both the investment of expensive resources and relatively inexpensive ones. This is a rather complicated process of developing an enterprise's investment strategy, since it involves a comprehensive accounting of all spheres and spectrums of the enterprise's life, including external factors affecting the enterprise's activities: inflation, taxes, pricing of material resources, market development prospects, the price of financial resources, etc. In the conditions of often and sometimes dramatically changing market conditions, a detailed elaboration of all stages and stages of the implementation of investment analysis, as well as the development of an investment strategy, is a significant stage in the investment process, since the outcome of the entire

investment process will depend on its correct implementation.

Literature review. Quite a few scientific works of scientists from many countries of the world are devoted to investments, investment processes and all its components. At the same time, some of them are aimed at a highly specialized analysis of individual parts of the investment process of a particular region, some explore the dynamics of investment processes in several countries and the world as a whole, including special attention is paid to investment risk management. Thus, Collins, Reutzel (2017) studied the role of top managers in the implementation of innovation and investment activities of small and medium-sized enterprises in India and came to the conclusion that investments in innovation are influenced by the potential attractiveness of innovative opportunities for top managers and their ability to evaluate the investment value of innovations. Bogliacino and Pianta (2010) explored the relationship between the ability of technological developments to lead to innovation; the ability of innovation to increase business profits; investing the profits in the further technological development of production at the enterprise and increasing the level of its competitiveness.

It is important, in this regard, to determine the economic content of the concept of "investment process" (M.V. Chinenov, 2010). It is known that in the literature and in practice an equal sign is often put between the concepts of "investment" and "capital investment" (Tkachenko I.Yu., Malykh N.I. (2009), Neshitoy AS (2007), Podshivalenko G.P., Lakhmetkina N.I., Makarova M.V. (2006), Zaynalov J.R., Alieva S.S., Ruzibaeva N.Kh. and others (2020). Some study the investment process, limiting themselves to the role of various methods of accumulating financial resources in it (Ruzibayeva N.X. (2021), RN Khakimovna, KMS Kizi (2021). This is explained by the fact that investing in itself means investing a certain part of the funds for the expansion of fixed assets. However, one should not put equality between the investment cycle and the completion of the construction stage. Such an understanding of the investment process cannot, in our opinion, be considered satisfactory both from a theoretical and practical point of view. Take, for example, the position of the bank in long-term lending. After all, if the investment price ends with the construction of an object, then economic loans lose their source of repayment: the object of lending by itself cannot be a resource for repaying loans. But the full use of capacities, the delay in the development of facilities entails losses for entrepreneurs, the need to find additional funds to pay loans. Note that the above similar judgments about limiting the investment process only to fund formation, especially taking into account the specifics of business management by entrepreneurs, have already been encountered in practice.

Consequently, the investment process is characterized in the interrelation of the decision-making on capital investments, their use and obtaining the final results. Thus, the theoretical position on the investment process receives a very specific, practical content. In our opinion, it is advisable to define investments as long-term investments of material and financial resources in the renewal and expansion of fixed assets in order to increase production. Such an interpretation causes the inclusion in the investment process, firstly, of the stage of forecasting capital investments (within the framework of a business plan); secondly, the stages of using capital investments (construction, acquisition of means of production); thirdly, the stages of using new capacities and facilities; fourthly, the stages of formation of funds of means of production, as well as the management of attracted resources (budgetary funds, loans, foreign investment capital, etc.). Thus, the investment management mechanism is a set of forms and methods of market regulation of the processes of reproduction of fixed assets at all levels of management.

The financial components of the investment process in the region are understood as a set of financing sources for regional investments and financial consequences from the implementation of the investment process in their close connection and conditionality (Edronova V.N., Maslakova D.O.

(2018).

The constant resumption of the production process simultaneously requires the renewal and accumulation of resources. At the same time, production growth rates directly depend on the efficiency of previous investment cycles. All this means the need for strict consideration of the resource aspect of investment activity, which forms the basis for balancing it with the entire increase in production. The growth of budget financing is due to the fact that there is insufficient connection between capital investments and the use of fixed assets. That is why the formation of new capital investment resources based on the maximum use of one's own production potential economically means the unification of all participants in the investment process into a single system.

Thus, in the process of improving the regulation of the investment process in the conditions of innovative development of the activities of economic entities, their investment activities should be ensured, firstly, by closely linking the process of regulating capital investments with the formation of monetary and other resources, and secondly, by the connection between the decision-making on capital investment and the production process, and thirdly, the orientation of individual processes towards the final results of the entire investment process.

Analysis and results. Back in 2006, a change was made to the investment process. It consisted in the further decentralization of the investment capital regulation. At the same time, economic entities should (within all types of investments) pay attention to the implementation, firstly, of the unity requirements in the implementation of technical policy; secondly, determining the priority goals of investment policy in the face of a certain shortage of material resources; and, finally, thirdly, they were designed to ensure overcoming a number of negative phenomena in the investment sector of the economy.

However, the implementation of the above proposals is still completely insufficient to solve the most important problem of balancing the in-kind and financial flows of the investment sector. It is necessary that the very formation of monetary resources be based on the optimal proportions of the distribution of GDP, directly follow from the main patterns of accumulation.

The main indicators of investment processes in the Republic of Uzbekistan are shown in fig. 1 and 2.

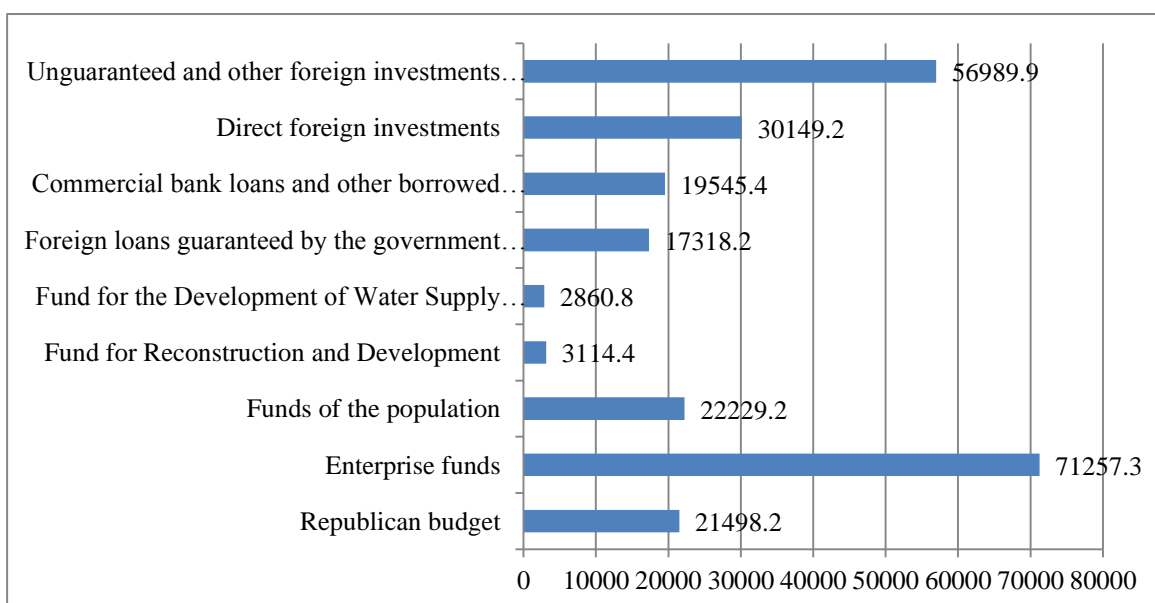


Fig. 1. Structure of investments in fixed capital by sources of financing, billion soums

Source: www.stat.uz.

In recent years, measures have been taken to create a large-scale favorable investment climate in the republic, to attract and develop foreign investment, in particular foreign direct investment. Thus, as a result of investments made directly at the expense of foreign direct investment, 30,149.2 billion soums were disbursed, which, compared to 2020, is less by 1.8 percentage points, or 12.3% of their total volume.

The attraction of foreign direct investment has a great influence on the course of investment processes in the Republic of Uzbekistan. Thanks to them, the introduction of new technologies is ensured, new types of products appear, the quality of goods and services improves, competition intensifies - the growth of the national economy is observed.

According to statistics, the highest indicators and growth rates by sources of financing investments in fixed assets in 2021 were shown by non-guaranteed and other foreign investments and loans, which, compared to 2020, is higher by 39.8%.

The following major investment projects were implemented at the expense of foreign direct investment and non-guaranteed foreign loans:

- construction of a solar photovoltaic plant with a capacity of 100 MW in the Navoi region on the basis of public and private partnership (pilot project);
- construction at the field of the Mustaqillikning 25 Yilligi gas chemical complex in the Surkhandarya region, as well as conducting geological exploration and reaching an agreement on production sharing;
- expansion of production capacities of the Shurtan gas chemical complex;
- program to increase hydrocarbon production for 2017-2021;
- development of the 1st stage of the Muruntau field (V stage) I-st stage;
- a program to modernize and improve the efficiency of the main gas transmission system of the republic for 2021-2022.

Much attention in Uzbekistan is also given to the investment climate as a whole, in particular, created to attract foreign credit lines under the guarantee of the government: for this purpose, tax incentives are provided, customs duties and administrative barriers are cancelled or reduced, acts, etc. As a result of this measure, foreign investments are significantly attracted and effectively mastered under the guarantee of the government of Uzbekistan.

So in 2021, foreign loans received under the guarantee of the government of Uzbekistan amounted to 17.3 trillion. UZS - 67.4% compared to 2020. Their share in total investment decreased by 3.9 points.¹

Due to foreign loans received under the state guarantee in 2021, the following strategically important projects for the state were implemented:

- ✓ modernization and reconstruction of the main central network electrical substations;
- ✓ introduction of an automated system for accounting and control of electricity (ASACE, regions of the republic);
- ✓ construction of Bogishamol-2 hydroelectric power plant on the Dargam Canal;
- ✓ modernization of Tupalang hydroelectric power plant;

¹ www.stat.uz

- ✓ electrification of the Bukhara-Urgench-Khiva railway;
- ✓ renewal of the locomotive fleet by acquiring new locomotives.

Investments at the expense of the population were invested 22229.2 billion soums, or 9.0% of their total volume. Basically, due to them, investment activities are carried out in the field of construction of residential buildings.

Conclusion. Therefore, within the framework of the foregoing, special attention should be paid to the following:

First, the formation of monetary resources at all levels at the state level.

At the same time, the entrepreneur's bank must meet uniform requirements for efficiency. Because, for the time being, a significant part of the additional profit from the use of labour means remains at the disposal of entrepreneurs.

Secondly, in the structure of profits of enterprises, a certain place is occupied by incomes associated with the best location, as well as the provision of qualified labour resources. The introduction of tax payments for the use of natural resources through the regulation of tax payments, including payments for the use of minerals, would contribute to the improvement of business decisions by entrepreneurs.

Thirdly, the existing system of profit distribution until recently does not stimulate entrepreneurs to increase it, including the increase in the financial resources of the state, since the formation of own funds for capital investments and the payment of the principal debt on long-term loans is carried out by entrepreneurs after tax payments. Therefore, despite the fact that, according to the existing terminology, the free balance of profit is considered to be that part of it that remains at the disposal of entrepreneurs after paying all the planned costs and tax payments, it would be more correct to consider that part of it that remained after paying tax payments as "free" to the budget and the bank, as well as the formation of incentive funds.

In general, it can be said that a certain part of the profits contributed to the overestimated demand of entrepreneurs for capital investments and, undoubtedly, increased the shortage of investment resources.

The problem of optimal investment and capital investment in the real sector of the economy is becoming more relevant than ever to maintain stable economic growth in an unstable external environment, associated primarily with the coronavirus pandemic, and, on the other hand, the tense situation that has developed between Russia and Ukraine. In this context, we are only witnesses of the growing interest of the governing bodies regulating investment processes in the problem of optimizing the ratio of investment inflow and directing capital investments in support of enterprises. Therefore, stable economic growth can be achieved; as practice shows, only in conditions of adequate balanced growth, as an influx of investments and capital investments.

It is impossible to achieve almost complete coincidence of these two sources, since the main reason lies in the difference in their economic essences, this is a consequence of the fact that in a market economy, an investor providing an inflow of investments can be an intermediary servicing an inflow of investments and is the owner of all funds involved in the movement of investment capital. And when the capital investment is moving, the issuer can be the owner of the capital at the same time. At the same time, an economic entity has the right of ownership to industrial products in which its own financial resource is embodied in material form.

The availability of data on the needs of enterprises for investments and capital investments, their capabilities and requirements will contribute to their interests. Such a comparison will help enterprises minimize the situation that leads to the emergence of instability in development.

Based on the essential theory or aspects, investments and capital investments, we can conclude that financial institutions and institutions of the real sector of the economy (that is, enterprises (economic entities)) are an interconnected set of institutions that are endowed with financial and resource ensuring efficient use of resources. The modern significance of financial mechanisms for regulating the volume of inflows of investments and capital investments and ensuring the relationship of these two in the direction of financial resources is due to the growing role of the investment market. can provide an increase in innovativeness and competitiveness of enterprises in an expeditious manner.

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