



## THE ROLE OF INVESTMENT AND MODERNIZATION IN THE DEVELOPMENT OF THE UZBEK ECONOMY

Niyozova Iroda Niyozovna

Teacher, Department Of Economics, Bukhara State University,  
Bukhara, Republic Of Uzbekistan

Azimov O. O.

Magistr; Department of Economics,  
Bukhara State University , Bukhara, Uzbekistan

### Abstract

This article provides an analysis of the role of investment and modernization in the economy, its importance. The level of development of any country, that is, the development and growth of the economy, largely depends on the investment process in the country. Technical and economic modernization and, if necessary, radical renewal of the economy, development of priority sectors of the economy, increasing the number of competitive goods and services that meet the requirements of a market economy, ie meeting the requirements of foreign and domestic markets and creating new ones. is one of the functions.

**Keywords:** investment, economy, development, modernization, increase, industry, growth, production, capital, business

### Аннотация:

в статье анализируется роль инвестиций и модернизации в экономике, их значение. Уровень развития любой страны, то есть развитие и рост экономики, во многом зависит от инвестиционного процесса в стране. Техничко-экономическая модернизация и, при необходимости, радикальное обновление экономики, развитие приоритетных секторов экономики, увеличение количества конкурентоспособных товаров и услуг, отвечающих требованиям рыночной экономики, т.е. отвечающих требованиям внешнего и внутреннего рынков и создание новых. это одна из функций.



Ключевые слова: инвестиции, экономика, развитие, модернизация, рост, промышленность, рост, производство, капитал, бизнес.

The level of development of any country, that is, the development and growth of the economy, largely depends on the investment process in the country. We know that the investment process in the country is carried out and regulated through investment policy. Investment policy will help increase the country's investment potential and expand investment activities. Therefore, it can be said that from the first years of independence, Uzbekistan has paid great attention to the development of investment activities. Because economic development in our country cannot be achieved without effective investment.

Technical and economic modernization and, if necessary, radical renewal of the economy, development of priority sectors of the economy, increasing the number of competitive goods and services that meet the requirements of a market economy, ie meeting the requirements of foreign and domestic markets and creating new ones. is one of the functions.

In the context of modernization of the economy, it is impossible to bring modern technologies to our country, to carry out the process of renewal and modernization of industrial production without investment activities. In order to ensure the freedom and development of investment activity, in order to strengthen its legal framework, the Law "On Investment Activity", "On Foreign Investment", "Guarantees and measures to protect the rights of foreign investors" Laws were adopted.

The Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 includes increasing its competitiveness through modernization and diversification of key sectors of the national economy, ensuring the balance and stability of the national economy, increasing the share of industry, services, small business and private entrepreneurship. It is planned to increase the efficiency of existing free economic zones, technoparks and small industrial zones, to create new ones. aimed at giving. Improvement and use of investments is based on the investment policy of the country and businesses

This policy determines, firstly, the priorities of capital investment, secondly, the correct placement and development of productive forces, and thirdly, the development of science and technology and the development of the economy as a whole (table 1).

Table 1

	2013	2014	2015	2016	2017	2018	2019	2020
The volume of industrial output, bln. som	70634,8	84011,6	97598,2	111869,4	148816	235340,7	322535,8	367078,9
Growth rate of industrial production in percent compared to last year	109,5	108,3	107,9	106,2	108,0	116,6	105,0	100,7
including:								
Extractive industry	99,5	101,2	107,1	101,0	115,8	132,4	99,4	78,1
Processing industry	112,1	109,4	108,1	106,4	108,3	115,6	106,6	107,1

At present, changes and structural reforms are being carried out in all spheres of the Uzbek economy. The implementation of such reforms directly depends on the investment process in the country, the investment policy of the state, its priorities and the investment activity of enterprises in the country. During the short period of independence, a number of practical measures have been taken to increase and strengthen investment activity, a number of laws and by-laws regulating investment activity have been issued and are being implemented.

The industrial sector is one of the main sources of revenue for the state budget in our country, as in all developed countries. Industry is a large and complex industry. It covers the heavy and light industries. The heavy industry includes electricity, fuel, metallurgy, machinery and metal processing, construction materials and chemical and petroleum industries, while the light industry includes textiles, clothing, leather and footwear and food. includes. Uzbekistan's industry has a centuries-old tradition of producing textiles and building materials. As our economy develops, the number of industrial enterprises is growing year by year.

Investors are focused on making a profit through production and product exchange. Therefore, the investor directs his capital to the most profitable sector. The criteria for investing in different sectors of the economy are very important. The size and growth of the domestic market for industry and services is a key factor in investor decision-making. The activities of the state (government



support of projects, investment incentives, guarantees to investors, etc.) related to the use of mechanisms that encourage investment in all sectors of the economy are important. Investment projects in industry are sensitive to the value of labor. The objects of investment in industrial enterprises are:

- ❖ Purchase and installation of new equipment and machinery, technical means;
- ❖ Financing of new innovative ideas;
- ❖ Construction and commissioning of new buildings and structures;
- ❖ Repair, renewal of fixed assets;
- ❖ Increase the range of products;
- ❖ Staff training, etc.

Today, the development of investment activity in our country, especially in industrial enterprises, has become a priority policy of the state, and in order to achieve this, great attention is paid to attracting investment in the sector, including foreign investment. As a result, the volume of foreign investment in our economy is growing from year to year. Financing, management and regulation of investment activities of industrial enterprises is carried out, first of all, through self-regulation and management. Self-management:

- Freedom of business entities;
- Freedom to choose partners and relationships with them;
- Based on the freedom to use their methods of activity independently.

Self-government plays an important role in regulating the investment activities of an industrial enterprise, while in some cases self-government weakens the ability to stabilize the economy and requires government intervention in the economy. Methods of regulating the investment activities of industrial enterprises should be aimed at:

1. Financial support of new technological lines and production;
2. Reducing the likelihood of financial crisis by developing insurance of the production process;
3. The ability to adapt quickly to changes in market conditions and consumer needs, making it the most convenient and acceptable tool for creating new jobs and increasing incomes during the global economic crisis;
4. Meeting the needs of the enterprise by attracting funds from various financial funds and organizing their effective use;
5. Ensuring the cost of the enterprise, the introduction of advanced technologies, scientific achievements through the investment of the enterprise;



6. Influence on the accumulation of financial resources of the industrial enterprise through the depreciation policy, the degree of renewal of their main results.

The use of investment funds in industrial production leads to certain results, in which the role of this category is clearly visible. The role of investment funds may vary according to factors such as changes in the conditions of circulation, the direction of its impact on public production, and its relationship to other distribution categories. However, in different historical periods, regardless of the diversity of the results obtained through the use of investment funds, the only factor - the ability of the means of investment to influence the processes of social production remains unchanged and inviolable.

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