

Ways To Effectively Use Investments In Textile Industry Enterprises

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Abstract

This article analyzes the priority areas of effective use of investments in textile industry enterprises. The optimal mechanisms for placing investment resources are considered based on the specifics of the industry, the technological level of production and the efficiency of using existing production funds. The article also evaluates factors such as the implementation of innovative projects, increasing the profitability of capital investments, and digitization of investment processes as important factors based on foreign experience. Based on the analysis, proposals and recommendations have been developed to increase the economic efficiency of investments in the textile industry.

Keywords: industry, investments, efficiency, capital investments, innovative development, production funds, investment policy, resource utilization, profitability, investment projects, technological innovation, industrial modernization, digitalization, investment environment, strategic planning.

Introduction. In the current global economic climate, the textile industry is of particular importance as one of the strategic sectors of the national economy. Expanding production volumes in this sector, increasing the share of export-oriented products, and increasing investment activity in creating new jobs are decisive factors. In particular, improving the mechanism for attracting and effectively using investments can increase the competitiveness of textile enterprises, stimulate technological innovation, and promote innovative development of the sector.

The Resolution of the President of the Republic of Uzbekistan “On measures for the further development of the textile and textile products industry” and the state programs “On stimulating investment activity and improving the investment climate” have created an important regulatory framework for the development of the sector. This, in turn, creates the need for in-depth study of the issues of targeted investment orientation, assessment of their economic efficiency and optimal management.

From this perspective, scientific analysis of ways to effectively use investments in textile industry enterprises, development and implementation of mechanisms for rational use of existing potential and resources are urgent scientific and practical issues.

Analysis of scientific literature. The issues of effective organization and use of investment processes have been widely studied in economic theory and practice, and scientific research has been conducted in this direction by domestic and foreign specialists. In particular, economists-scientists such as J. Keynes, I. Fisher, P. Drucker have scientifically studied such issues as factors ensuring the efficiency of investment processes, the impact of capital flows on the economy, and the formation of the investment environment¹.

In our country, a number of scientific works have been created in the direction of investment activities and their effective use in industrial enterprises. In particular, authors such as U.M. Sodiqov, Sh.R. Davronov and R.Kh. Komilov have extensively covered the issues of evaluating investment projects, determining their economic efficiency, and implementing investment policy across sectors in their research²³.

E.N. Simionova also assessed the impact of changes in capital investments, the results of the implementation of investment projects, as well as changes in the value and market value of newly established production

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1. Keynes J.M. The General Theory of Employment, Interest and Money. London: Macmillan, 1936.
 2. Sodiqov U.M. Assessment of the effectiveness of investment projects. – Tashkent: “Economy”, 2019.

capacities on economic results when assessing the economic effectiveness of industrial enterprises⁴. The effectiveness of investments in enterprises requires a comparative assessment of the economic efficiency of investments based on changes in production volumes, project results, and the dynamics of change.

Issues related to increasing investment activity in the textile industry were studied by researchers such as M.Yu. Solikhova, G.S. Nuriddinova, and B.M. Aliev, whose work identified existing problems in the industry, needs for technological innovation, and infrastructural shortcomings, and developed proposals⁵.

The analysis of the above-mentioned scientific sources shows that the efficiency of investment processes directly depends not only on the amount and direction of investments, but also on their management, evaluation and targeted distribution systems. The studies provided important theoretical and practical suggestions for improving the methods of assessing the economic efficiency of investment projects and implementing investment policy in the sectors. They focused on project analysis, risk reduction and efficiency assessment criteria in increasing investment activity.

Today, when assessing the effectiveness of innovation and investment projects in textile industry enterprises, it is necessary to assess regional differences and their impact on investment efficiency, and to pay special attention to digitalization and "green technologies".

Methodology. In the conditions of modern industrial development, the share of high-tech products is recognized as one of the main factors determining the competitiveness of the country's economy. Changes in the volume of high-tech products within the industrial sector and sectoral enterprises have a direct impact on economic results. E.T. Yakubova also proposed in her research to assess the change in the share of high-tech products according to the following methodology.

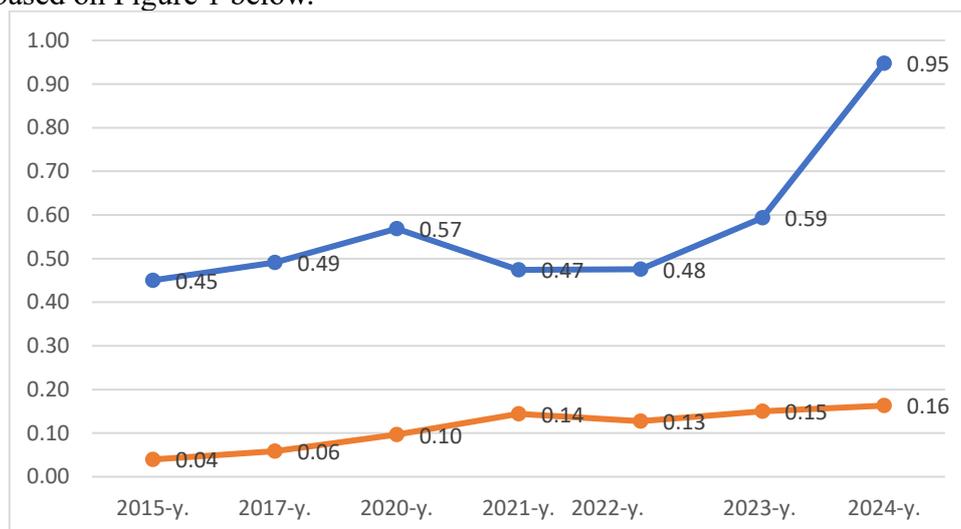
$$H_i = \frac{V_{hi}}{V_i} \quad (1)$$

H_i – share of high-tech products in the industry of the i -region, coefficient;

$v_{h i}$ – production volume of medium and high-tech products in the i -region, billion soums

V_i – volume of industrial products of the i -region.

Analysis and results. To assess the development of the industrial sector, modernization of production, and the development of high-tech industries in the national economy, it is necessary to assess the capital capacity indicator. We can also see the changes in the efficiency of capital use in the economy of the country and the Andijan region based on Figure 1 below.



3. Simionova N.E. Investment projects in construction: management and efficiency. *Ekonomika stroitelstva*. 2020;2 (62):59–65 p
4. Solikhova M.Yu. Problems of investment management in the textile industry. // *Journal of Economic Development*, 2020, No. 3.

Figure-1. Dynamics of the capital capacity indicator for the industry of the Republic of Uzbekistan and the industry of Andijan region⁶

The capital capacity of the economy of the Republic of Uzbekistan was 0.26 in 2015, and by 2024 it reached 0.34. This indicates an increase in investment activity in the country and an increase in the level of utilization of capital resources, while the capital capacity of the economy of Andijan region was 0.14 in 2015 and reached 0.31 in 2024. This increase is 2.2 times, confirming a significant change in economic activity and investment attractiveness in the region.

While the capital intensity in the country's industrial sector has changed from a coefficient of 0.45 to a coefficient of 0.95 over time, the capital intensity in the regional industrial sector has increased from a coefficient of 0.20 in 2015 to a coefficient of 0.31 in 2024. The highest indicator (0.31) was observed in 2021, and despite a decrease in the following year, an increase was recorded again in 2024.

In general, the results of the analysis confirm the existence of a connection between investment processes and production efficiency at the national and regional levels. The high growth rate in Andijan region is explained by the increase in industrial potential in the region and the activation of innovation processes. The current state of the regional industry is directly influenced by the development of production sectors.

The textile industry of Andijan region is considered one of the important sectors, with a total production volume of 8 trillion soums in 2023. This accounts for more than 25% of industrial production in the region. The amount of investments in technological innovation and modernization in the region in 2023 amounted to 1.5 trillion soums. These funds were mainly spent on the purchase of new automated production lines, high-tech textile machinery and equipment. As a result, production efficiency increased by 20%, and enterprises in the textile industry created more than 25,000 new jobs. The export volume of textile industry products in Andijan region reached \$ 500 million in 2023. This is an important factor in the economic development of the region and serves to increase the competitiveness of local enterprises in the international market.

Analysis shows that over the past 5 years, textile exports have increased almost 2-fold. In particular, exports to China, Russia, Turkey and European markets have achieved significant growth. These changes have been directly influenced by investment and innovation.

The focus on increasing production capacity in attracting investments has somewhat improved the level of utilization of existing production capacity. Therefore, an analysis of the share of high-tech products also serves as an important tool for assessing the effectiveness of sector-specific reforms (Table 1)..

Share of high-tech products in the industrial sector and textile sectors of Andijan region (percentage)⁷

No	Indicators	2015-y.	2017-y.	2020-y.	2021-y.	2022-y.	2023-y.	2024-y.
1	The share of high-tech products in the industrial sector of Andijan region	36	44	59	58	61	70	67

In the development of industrial sectors, and especially the textile industry, the share of high-tech products in the production of goods is increasing in Andijan region. During 2015–2024, the share of high-tech products in the regional industry increased from 36 percent to 67 percent.

The share of high-tech products in the overall industrial sector has increased by 31% over 9 years, which indicates technological modernization, the introduction of modern equipment, and increased innovative activity in production. In particular, a sharp increase of 9% was observed between 2022 and 2023, which is explained by an increase in the volume of investments in the sector.

Summary. This indicates an increase in the volume of capital investments in textile industry enterprises, as well as a positive change in production efficiency, the state of the technological base, and investment activity.

5. Compiled by the author based on data from the National Statistics Committee of the Republic of Uzbekistan and the Andijan Regional Statistics Department

6. Author's work based on data from the Andijan Regional Department of Statistics

he following factors influenced these changes:

1. the state of development of industrial infrastructure, the establishment of new industrial enterprises, the modernization of technologies and the increase in capital expenditure;
2. increased investment activity in industry as a result of attracting foreign investment;
3. updating the technological base, etc.

Based on the above analytical results, it should be noted that ensuring the development of textile enterprises reflects the inherent difficulty of increasing the efficiency of investment use. Addressing the current problems in the enterprises of the sector requires economic reforms, an approach that includes infrastructure and human capital, as well as integral communication and cooperation between all stakeholders. By implementing these solutions, regions can create a favorable environment for foreign investment, leading to sustainable economic growth and development.

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