

# The Economic Significance of Investment Activity and Its Place in The Economy of Uzbekistan

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**Abstract:** This article provides information on the economic content of investment activities, its role as an important factor in ensuring sustainable economic growth and public administration in pursuing an active investment policy, as well as investment processes in the economy of Uzbekistan.

**Keywords:** Investment, investment activity, investment process, object, subject, investment policy, public investment program.

## Introduction.

Investment activity plays an important role in the modernization of the economy. 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. Sustainable economic development of any society without investment is unimaginable. Especially today, it is clear that the further growth of any country depends on the state of investment. The term "investment" is derived from the Latin word "invest", which means "investment", "mobilization of funds", "capital investment". Broadly speaking, investment is the mobilization of capital to increase and recoup capital. In many cases, the concept of "investment" is defined as tangible and intangible benefits and rights to economic and other objects of activity. All kinds of investment National and intellectual resources must be understood, and they must be directed to the objects of entrepreneurial activity to generate income or achieve some positive results.

The main purpose of investing is to earn income and achieve a positive social effect. The uniqueness of the role of investment in the economy requires a study of its exact nature. The economic dictionary defines "investment as the sum of expenditures of capital as a long-term investment in industry, agriculture and other sectors." In the theory of production and in macroeconomics in general, investments include new capital (means of production and human capital is the process of creating). In financial theory, an investment is the acquisition of real or financial assets, that is, the purpose of today's expenditures is to generate income in the future. So, in our opinion, "Investment is the mobilization of idle capital in order to achieve socio-economic benefits." We know that economic growth can be without investment resources.

## Materials and methods.

Rather, these resources are, in essence, funds for the development of production. Investments in the form of cash are nominal investments. Once these investments are materialized and put into production, they become real investments and provide economic growth. The Law of the Republic of Uzbekistan "On Investment Activity" classifies investments by purpose. Accordingly, investments are classified as an Economic category divided into the following types:

- In order to increase the initial (cautious) accumulated capital placement of capital in business entities;
- Economic relations between investment participants in the implementation of investment projects.

Investment is the capital that is not yet packaged but invested in the means of production. In its financial form, they are assets invested in economic activities for profit, while in economic terms, they are related to the construction of new enterprises, long-term machinery and equipment, and so on. changes in working capital costs incurred. Investments can be made by the private sector and the state in various industries and securities (stocks, bonds) inside and outside the country. The investment process is a process of meeting those who have free capital and those who need capital. The two parties usually meet at financial institutions or in the financial market. In some cases, especially when dealing with property values (such as real estate), sellers and buyers enter into direct transactions.

An investment object is an object that mobilizes funds, that is, all the wealth under the law, which can be new enterprises or existing enterprises, securities, bank deposits, intellectual property, and so on. Entities of investment - individuals with property and intellectual property involved in investment activities, legal entities and the state.

Typically, any investment activity is based on a goal-oriented, well-designed investment idea. A well-formed and well-founded investment idea leads to the decision of the investment project.

The concept of an investment project includes technological processes, technical and organizational documentation, the process of construction and commissioning of facilities, the movement of material, financial, labor resources, as well as relevant management decisions and measures to achieve its intended purpose it is expedient to interpret it as an unifying system. 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 our 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. Investment policy is very important in this direction. Because investments structural changes in the economy, technical and technological innovations, the implementation of reconstruction of enterprises, stimulate the country's export and import potential. In this regard, the Uzbek government is pursuing its own investment policy.

Investment policy is a set of mechanisms and methods aimed at developing and supporting priority sectors of the economy, the transition from a centralized investment process to a decentralized investment process, and support for priority investment projects. Priority in the implementation of public investment policy is focused on the creation of small businesses, enterprises with foreign investment, as well as the elimination of existing shortcomings, rapid resolution of problems and the creation of a favorable economic and investment environment for investment.

Public investment policy consists of regional, sectoral and enterprise investment policies, which are interrelated. Territorial investment policy is a set of measures to be taken in an area that allows for effective use of investment, taking into account the interests of the population, the region and the investor. The sectoral investment policy is responsible for the development of the country's economy industries, export of industrial products, introduction of import-substituting production, investment support of scientific and technological progress. Investment in the Uzbek economy has become a key priority, primarily through the mobilization of domestic resources, the rapid modernization of key sectors of our economy, technical and technological re-equipment, further development of transport and communications and the construction of social infrastructure.

### **Results and discussions.**

The need for investment projects in priority sectors of the economy stems from: physical and mental obsolescence of production facilities, their restoration or technical re-equipment or complete renovation; very low material and technical base in the industry and the presence of many loss-making enterprises; the ratio between savings and consumption in the national income of the republic is largely spent on consumption and is declining as a source of investment; Uzbekistan is rich in natural resources and has the potential to build many processing enterprises; population growth (labor resources) and the need to build small modern compact enterprises, bringing them closer to the village, which is the source of labor resources; the share of raw materials in the republic's exports the need to reduce and be able to produce more finished products, and so on.

At the expense of various sources in the development of investment activities it is important to study the state of attraction of funds and analyze the development of the state of financing of investments at their expense, and the following tables show the structure of financing of investments from various sources and its changes in recent years.

Bukhara, Tashkent and Kashkadarya regions still lead in the regional structure of fixed capital investments. Investment in fixed assets in Kashkadarya region is about 59% higher than in Samarkand region, amounting to 3533.1 billion soums. soums. The difference between Bukhara region, Tashkent city and Kashkadarya region is 5.4%. This is it Syrdarya and Jizzakh remain in last place.

### Conclusion.

In conclusion, we can say that the implementation of investment projects will allow to make radical changes in the economy, and this will serve as a guarantee of the creation and development of new jobs in the economy. Renovation and modernization of industrial production, bringing modern technologies to our country in the context of modernization of the economy

It is impossible to imagine the process without investment activity. Attracting investment projects will not only boost the state economy, but also have a significant impact on improving the living standards of the population. That is, a large part of domestic needs will be met, production will expand, a new labor force will be formed, and the old and hard labor will be transferred to new, light and productive labor. The level of future economic growth of the country is determined by the investment projects and investment processes involved today.

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