

## ANALYSIS OF CAPITAL INVESTMENTS IN THE REGION AND WAYS TO IMPROVE THEM (IN THE EXAMPLE OF NAVOI REGION)

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### Abstract

This article broadly covers the importance of fixed capital investments in ensuring economic growth and stability. Fixed capital investments in Navoi region are analyzed, proposals and conclusions are given on ways to further improve them and increase the efficiency of their use.

**Keywords:** Fixed capital Investment environment, domestic and foreign investment, risk, economic development, investment attractiveness, investment activity, centralized investment.

### Introduction

The social and economic development of the region depends on the quantity and composition of inputs into industrial enterprises, the improvement of the welfare of the society, and the increase of the population's income. In this regard, great attention is being paid to attract investment funds to Navoi region.

The level of effective development of the country's economy is determined not only by the quantitative increase of production, but also by its quality and competitiveness. One of the main ways to ensure the sustainable development of all industries is to attract investments. Investments in fixed capital is an increase in the value of the company's assets and balance sheet due to additional costs for the purchase, modernization and reconstruction, construction and other efforts of fixed assets in order to increase profits.

This process is aimed at increasing production and profit in the medium and long term by investing additional funds. According to the traditional principle, fixed capital investments should not be expected to return quickly, but they serve as a guarantee of stable profits for a long time.

The purpose of improving the investment environment is to create the necessary and optimal conditions for increasing the investment potential, to accelerate investment activities and, ultimately, to improve the economy, solve social problems, and create opportunities to increase production efficiency.

Decree No. PF5495 of the President of the Republic of Uzbekistan dated August 1, 2018 "On measures to fundamentally improve the investment environment in the Republic of Uzbekistan", PF dated January 8, 2019 "On additional measures to further develop the economy and increase the effectiveness of economic policy" - Entrepreneurship in order to fulfill the tasks that have come from the decrees of No. 5614 in accordance with the legislation A comprehensive program of measures, which provides for the implementation of 42 concrete measures in five priority areas, has been approved for the rapid development of activities, comprehensive protection of private ownership and qualitative improvement of the business environment.

In order to create favorable conditions for doing business, develop an industry based on innovative entrepreneurship and high technologies, as well as to organize additional capacities for the deep processing of mineral raw resources in the territory of Navoi region and the production of competitive products in domestic and foreign markets. On April 21, 2022, the President of the Republic of Uzbekistan "Measures to designate the Navoi region as a free economic zone for innovative, high-tech, export-oriented and import-substituting productions" on" decree was adopted. The goal is to produce innovative, high-tech, export-oriented and import-substituting products in Navoi region.

## LITERATURE REVIEW

D. G. Gozibekov managed to interpret the essence of investment as a financial category in his scientific works. He defined that the content of investments consists of obtaining funds from clear and reliable sources, their reasonable mobilization, taking into account the level of risks, maintaining the capital value and obtaining the intended effect.[1]

Investments to the essence of prof. N.H. Haydarov gives the following definition: Investment is an investment, regardless of the form of ownership, of individuals and legal entities operating on the basis of entrepreneurship, or of the state, for the purpose of obtaining economic and social benefits. Insufficient presence of investors in the economy, and at the same time, their ineffective placement causes a number of problems. First of all, this has a negative impact on the situation of tension, economic growth and other aspects.[2]

Economists of the Russian Federation give a definition that serves to ensure the achievement of a positive result, that is, "investment - any money that can be placed, taking into account the preservation, increase or provision of a positive amount of income." L. Igoshina defined that it is expressed as a tool [3]

Prof. A. Neshitoy is the long-term placement of funds (capital) directed to the implementation of business projects, social-economic programs and innovation projects in

various sectors of one's own or another country in order to obtain the content of investments - profit or to achieve other results. described as [4]

Based on the national characteristics of the state, the economic essence of the investment term was interpreted by a number of Russian scientists. According to Russian expert T.T. Frolova [5] among the researchers of the CIS countries: investment is the long-term investment of the private sector and the state in various sectors of the economy and valuable securities inside and outside the country.

"Investment environment" and "investment climate" are used as synonymous terms. In this regard, economists-scientists D. Gozibekov and T. Qoraliyev expressed the following opinions: "Investment climate is a concept used in a very broad sense and embodies all the problems and issues considered by the investor. The favorable and unfavorable aspects of allocating capital to a certain country are determined by the investor, and at the same time, great importance is attached to the ideology, politics, economy and culture of the country to which the capital is to be invested" [6].

The role of foreign investments in ensuring economic development, the forms of attracting foreign investments to the economy, the role of a favorable investment environment in attracting foreign investments were studied in the scientific works of E. Khazanovchi, and recommendations on the active attraction of foreign investments were developed [7].

In the scientific works of Yu. Leonova, the ways and advantages of ensuring investment activity in the territories of the Russian Federation and attracting investments of foreign companies are highlighted [8]. According to Johnson and Sherraden, Remundari Financial Literacy q financial capabilities, financial competence (financial capability) is the ability to make investments based on existing knowledge and the ability to act in the economic system in order to simply survive or ensure a full life. , competencies[9,10]

## **METHODOLOGY**

Several methods can be used to analyze fixed capital investments and learn ways to improve them. Investment analysis focuses on the study of capital investments (ie, industry, infrastructure, transport, energy and other sectors) made in the region. This analysis may include: Analysis of the growth rate, types, and total volume of investments made in the region. Evaluation of the economic results of investments (for example, the volume of production, job creation, export growth). Analysis of sources of investment financing: loans, grants. , foreign and domestic investments.

Use methods such as NPV (net present value), IRR (internal rate of return), payback period (payment period) to measure the profitability of investments in fixed capital. Assessment of the impact of investments on economic growth, employment, and income growth in the region. Methods were used to assess the social and environmental results of investments in the region, for example, public health, environmental safety, and stability of infrastructure.

The process of analyzing investments in fixed capital in the region and studying ways to improve them is important in making strategic decisions. The methodology and analytical

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### Capitalized investments

Billion soums at current prices

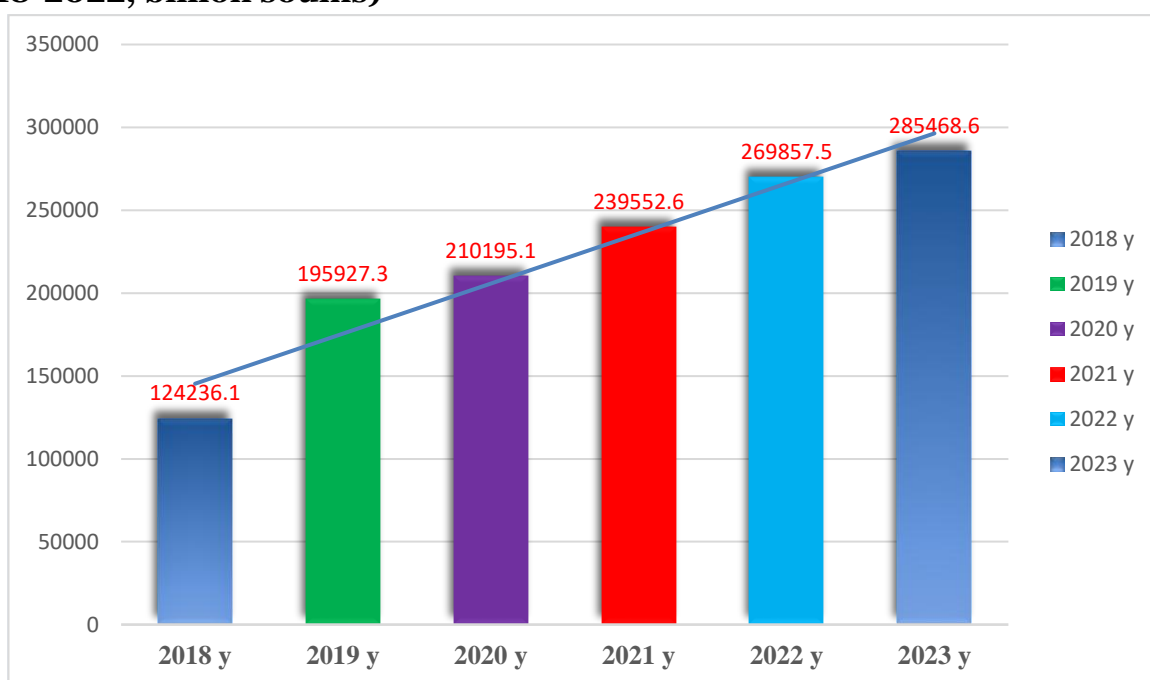
	2019 y	2020 y	2021 y	2022 y	2023 y	2024- y January- September
<b>Navoiy region</b>	<b>17 646,3</b>	<b>15 688,4</b>	<b>15 020,1</b>	<b>17 958,1</b>	<b>26 398,6</b>	<b>23 429,8</b>
Navoiy city	6 242,8	4 586,3	3 803,0	5 150,0	5 370,1	3 891,3
Zarafshon city.	763,9	1 627,9	1 700,2	2 469,2	3 950,3	1 383,5
G`azg`on city.		5,0	87,0	136,4	373,1	187,1
<i>districts</i>						
Konimex	1 214,3	1 687,6	1 227,2	492,7	1 045,5	881,0
Qiziltepa	748,4	521,5	497,5	911,1	1 099,3	570,9
Navbahor	303,0	353,4	415,0	560,7	748,6	493,4
Karmana	3 847,5	1 616,7	2 267,4	2 228,3	3 675,4	4 252,9
Nurota	378,3	336,9	459,9	1 309,0	2 218,8	1 706,5
Tomdi	2 909,3	2 770,9	3 371,8	3 357,7	6 182,2	8 292,5
Uchquduq	628,9	1 240,4	269,1	271,0	591,0	1 238,7
Xatirchi	609,9	941,8	922,0	1 072,0	1 144,3	532,0

**Source:** Based on data from Navoi Statistics Department

In January-September 2024, investments in the amount of 23,429.8 billion soums were made to increase the capital of the region, and the growth rate was 50.4 percent compared to the same period last year. The share of investments in GNI was 7.0 percent, and the growth rate compared to January-March 2019 was 145.3 percent.

Tomdi district is the leader in terms of the volume of capital investments. In this area, 35.4% of total fixed capital investments were utilized. Also, Karmana district accounts for 18.2 percent of the total investment volume, and Navoi city accounts for 16.6 percent. Nurato district accounted for 7.2 percent, Zarafshan city for 5.9 percent. And Uchkuduk District accounted for 5.3 percent. Konimekh district, Kyziltepa district, Khatirchi district and Navbahor district have the least amount of investments, each of which has a share in the city of 1.2% and 0.9%

**(Dynamics of investments in fixed capital in the Republic of Uzbekistan in 2018-2022, billion soums)**



**Source:** Uzstat information. IV. Investment and construction works, Section 1. Capitalized investments

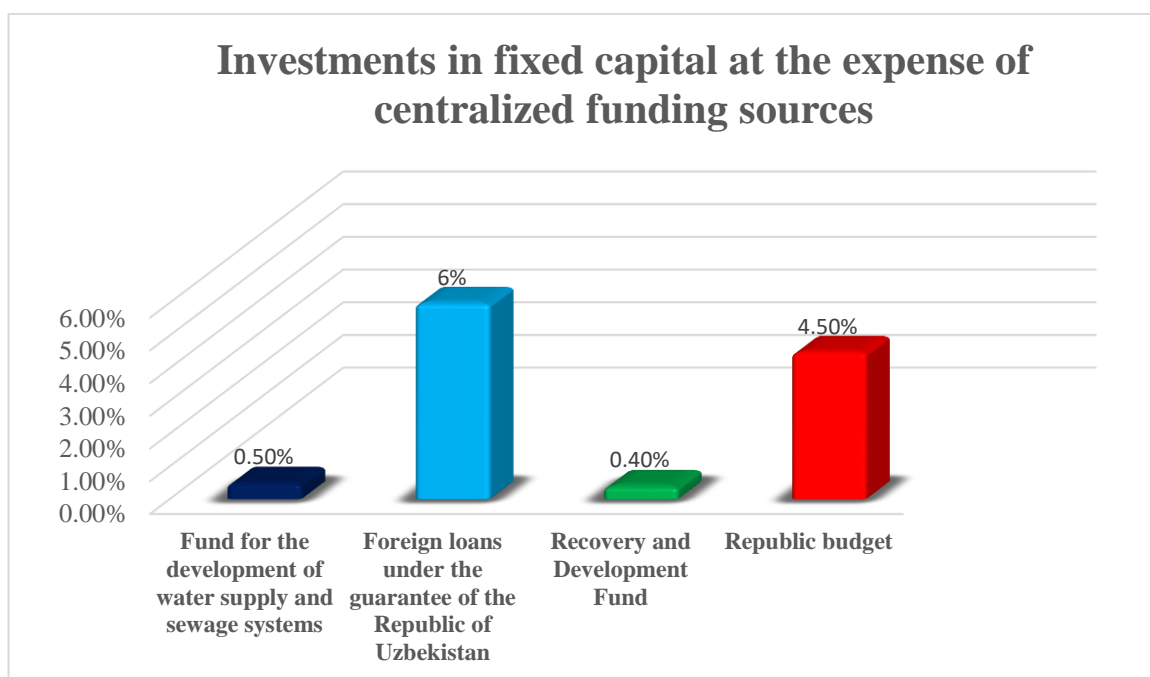
These data show that in 2018-2022, the volume of investments in fixed capital increased year by year. If in 2018, this indicator was 124 trillion 236.1 billion soums, during the following years, its growth increased by 145 trillion 626.2 billion soums. Their minimum value was observed in 2018, and the maximum value of the indicator was equal to 269 trillion 857.5 billion soums in 2022.

This describes the activity of investments. Their average value was 207 trillion 952.7 billion soums, and 56.6 trillion soums were appropriated from the total sources of financing for the development of economic and social spheres, which amounted to 285 trillion 468 billion soums in 2023, which is represents a 103.1% increase compared to the corresponding period of the previous year.

It is envisaged that modernization of the economy, deepening of reforms, creation of new production capacities and capital funds, updating of existing techniques and technologies

in sectors and industries, their support is combined with the correct and effective implementation of investment processes. the goal is achieved. This, in turn, is closely related to the active investment policy aimed at the implementation of transport, communication and social infrastructure projects.

352,1 trillion from the total sources of financing in 2024 for the development of all industries in the Republic of Uzbekistan, to achieve high efficiency. We can see that soums have been absorbed, which has increased significantly compared to 2023.



**Figure 1 Source:** Uzstat data. IV. Investment and construction works, Section 1. Capitalized investments

For the purposes of conducting statistical analysis, investments in fixed capital are formed in the following main sections: types of investments, technological and reproduction components, types of economic activities, sources of financing.

At the end of the year, 21.2 trillion rubles were received from foreign countries under the guaranty of the Republic of Uzbekistan. Soum foreign investments were attracted and increased significantly compared to last year. Their share in the total volume increased by 0.3 percentage points and was recorded at the level of 6.0%.

### Conclusions and Suggestions

In order to make more investments in the region, first of all, it is necessary to improve the investment environment. In order to encourage investment, it is necessary to create wide tax incentives. This will help to introduce new technologies, ensure environmental safety and develop innovative projects.

Attracting foreign and domestic investors through an economic zone in the region. In such zones, economic activity can be increased by creating favorable conditions for investors, tax incentives, infrastructure provision. Modernization of transport and logistics networks, as well as the energy supply system. This provides an opportunity to increase production capacity and effectively manage investments.

Allocation of grants, subsidies and loans by the state to improve the efficiency of investments in fixed capital. Financial support for the introduction of energy efficiency and environmentally friendly technologies is especially important.

Establishing cooperation with external investors and scientific centers to bring new technologies and innovative solutions to the region. It is necessary to introduce digital platforms and monitoring systems to ensure transparency in investment processes in the region. This will help increase confidence for investors and reduce corruption.

Attracting investments in the tourism and agricultural sectors. These areas can greatly affect the economic development of the region.

Effective management of fixed capital investments and their improvement ensures sustainable development of the region. It is necessary to strengthen the investment environment, infrastructure, financial and technological support, transparency and digital transformation processes.

In order to increase the efficiency of investments, it is necessary to strengthen the cooperation of the public and private sectors. It is important to ensure transparency and social responsibility in attracting investments. It is necessary to increase the confidence of foreign and domestic investors and create favorable conditions for their effective investment.

The importance of investments will increase by ensuring economic growth and creating new jobs through the distribution of investments in various sectors and the creation of competitive opportunities in the region. This, in turn, contributes to the long-term development of the region.[11]

The measures taken to effectively manage investments in fixed capital and improve them will be important not only for the regional economy, but also for the national economy.

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