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## Analysis of the Investment Environment and its Regional Differences in Business Activity in Namangan Region

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**Abstract:** In the article, the concept of a systematic approach to the evaluation and implementation of investment projects can become an additional competitive advantage for project participants at all levels, as it allows predicting the implementation of the project under various scenario options. All in all, it's dedicated to giving you opportunities to get more out of the real investment process.

**Key words:** Small business and private entrepreneurship, economic development, experience of developed countries, services market, organization, production, investment process, efficiency of factors.

### INTRODUCTION.

The problem of real investments as the main condition for the economic growth of the enterprise, which is carried out in the form of implementation of investment projects and requires appropriate financial support, has gained special importance in modern conditions. In market conditions, the need of business entities for investment resources is increasing, but the possibilities of obtaining them are always limited. Therefore, choosing investment priorities and evaluating their efficiency is an urgent problem of managing not only investments, but also the financial activities of entrepreneurship.

In this regard, there was a need to develop new methods and methods of investment analysis, partial and general indicators of the effectiveness of investment projects. However, most of the research studies have focused on comparative evaluation of real investment opportunities and calculation of project cash flow efficiency, etc. Therefore, there is a need to formulate investment analysis indicators in terms of a systematic approach to the management of enterprise efficiency in general, and investment and financial activities in particular. The basis of any business activity is to obtain the expected economic benefit at the expense of investments and to increase the economic potential. Every investment decision is based on:

- assessment of one's financial situation and feasibility of participation in investment activities;
- assessment of investment volume and financing sources;
- estimation of future income from investments. An information base is provided with investment analysis in the form of the results of a project examination to make a decision on the inclusion of a

specially developed investment plan or project in the investment portfolio, to start investing it and to continuously monitor its implementation.

In this sense, in 2017-2021, we will carry out an analysis of the tasks for the Namangan region in the implementation of the investment projects defined in the Action Strategy for the five priority directions of the development of the Republic of Uzbekistan. In 2017, 8,163 new jobs were created in 143 projects worth 954.6 billion soums, and by the end of 2021, 1,424 projects worth 4.6 trillion soums were launched and 31,558 new jobs were created. Compared to 2017, the value of jobs created by 5.0 times increased by 4.0 times. When analyzing the projects implemented in Namangan region in 2017-2021 by direction:

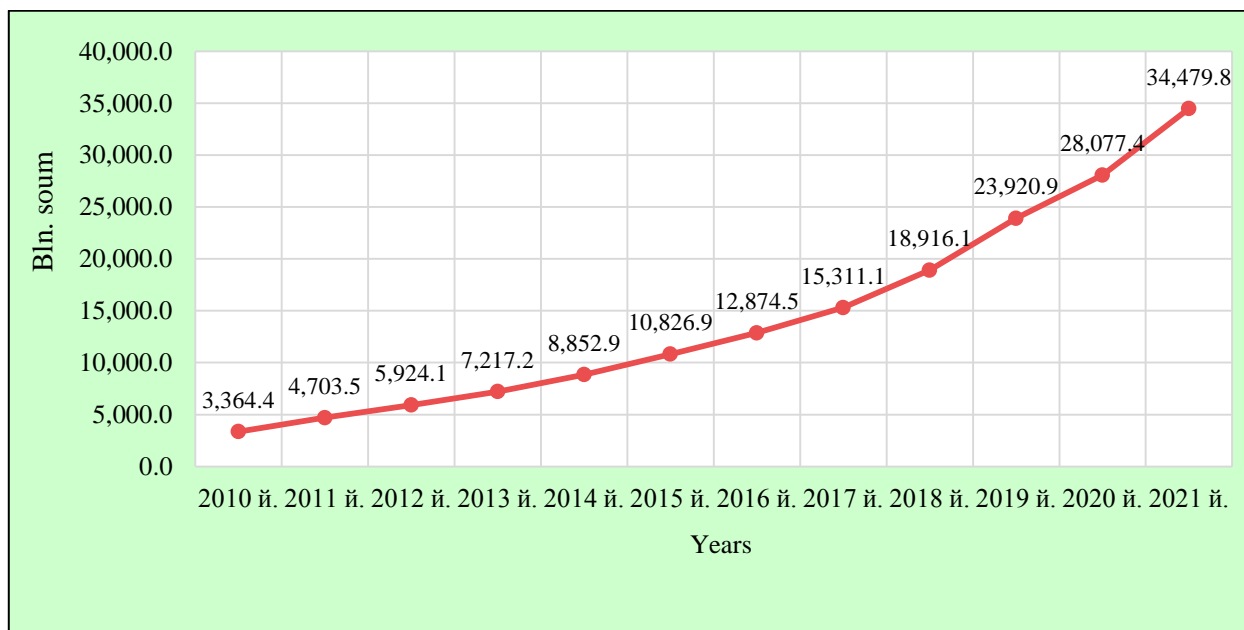
- in the field of industry, in 2017, 802.4 billion soums were invested, 94 projects were launched and 6,997 new jobs were created, while in 2021, 606 projects were launched at the expense of 2.5 trillion soums, and 24,214 new jobs were created;
- in agriculture, in 2017, 54.1 billion soums were invested, 21 projects were launched and 442 new jobs were created, in 2021, 233 projects were launched at the expense of 804.4 billion soums, and 2348 new jobs were created;
- in 2017, 98.1 billion soums were spent on services, 28 projects were launched and 724 new jobs were created, and 1.4 trillion soums were allocated in 2021. 585 projects were launched at the expense of 4996 new jobs;

In general, during the observed period in Namangan region, the problem of real investments as the main condition of the economic growth of the enterprise, which is implemented in the form of implementation of investment projects and requires appropriate financial support, has gained special importance in modern conditions. In market conditions, the need for investment resources of economic entities is increasing, and the possibilities of obtaining them are always limited. Therefore, choosing investment priorities and evaluating their efficiency is an urgent problem of managing not only investments, but also the financial activities of enterprises. The subject of investment analysis is the cause-and-effect relationship of economic processes and events in investment activity, as well as its socio-economic efficiency.

As a result of the favorable business environment created in our country and the conditions created for foreign investors, as well as the efforts made to further develop friendship and cooperation between the territories of foreign countries, the industry of Namangan region has undergone great changes in recent years. Development of industry, increase in export volumes, and the work done by foreign and local investors are a vivid example of this. In particular, the volume of production of industrial products in the region in 2017 was 4.6 trillion. amounted to 14.7 trillion soums by the end of 2021. reached to soums. This, in turn, led to an increase of 3.2 times compared to 2017.

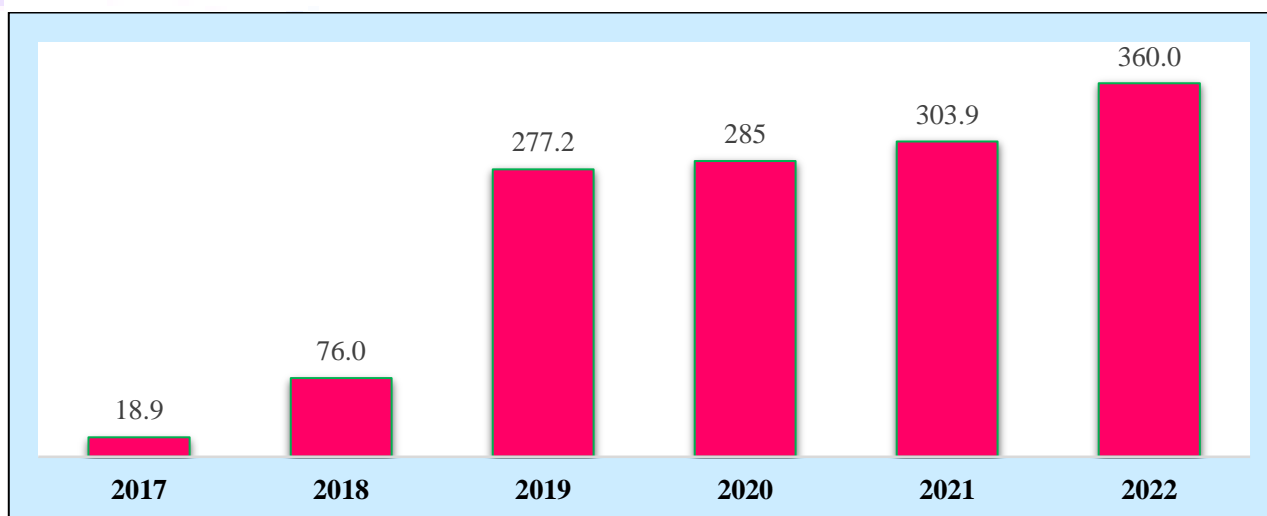
If we analyze the industrial products produced per capita, in 2017 1.7 mln. Soums, if correct, by the end of 2021 it was 5.0 million Soums. Creating a high level of added value as a result of the production of import-substituting products in our republic is one of the urgent issues facing every industrial enterprise and business activity today.

In particular, on the basis of the localization program of the production of products on the basis of local raw materials, several types of competitive construction materials, food products, steel and cast iron gears, white paper, chemical products, pharmaceuticals, rubber and plastic products, furniture and the production of new types of products, such as electrical equipment products, was launched. In this sense, if we pay attention to the dynamics of changes in the gross regional product of Namangan region (Figure 1).



**Figure 1. The dynamics of changes in the gross regional product of Namangan region<sup>1</sup>**

In the example of our Namangan region, in 2017, 18.9 million were spent on only 16 projects. dollars, 76.0 million in 17 projects in 2018. dollars, 277.2 million in 146 projects in 2019. dollars, 285.0 million in 209 projects in 2020. dollars, 303.9 million in 154 projects in 2021. if the foreign investment funds are absorbed, by the end of 2022 360.0 mln. dollar foreign investment funds have been absorbed. If we compare this indicator with 2017, it can be seen that it has increased almost 19 times (Figure 2).



**Figure 2. Figure of growth of attracted foreign investment funds (mln. dollars)<sup>2</sup>**

If we pay attention to the data presented in Figure 2, in 2017 foreign investment funds attracted to the main capital of the economy of Namangan region amounted to 18.9 million. If it was US dollars, in 2022 this indicator will be 341.1 million. increased to US dollars.

For owners who are interested in the stability and growth of dividends on invested capital, the profitability of capital and the financial stability of the enterprise are the priority areas of analysis, and the object of investment analysis for investment projects is primarily affected by the financial condition of

<sup>1</sup> Compiled by the author as a result of research

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the enterprise and the financial results of their implementation. Suppliers and buyers conduct an investment analysis to determine the ability of the enterprise to fulfill its contractual obligations in terms of assessing the forecast change in its financial position as a result of the implementation of investment activities. The object of investment analysis for the company's creditors is its balance sheet liquidity, solvency and creditworthiness (Table 1).

**Table 1. Capitalized investments in the capital of Namangan region**

Indicators	2010 y.	2015 y.	2020 y.	2021 y.	Change in 2021 compared to 2010, (+, -)
Investments in fixed capital - total, bln. soum	660,6	2227,5	12007,2	12982	12321,4
Share of fixed capital investments in GDP, in %	19,6	20,6	57,9	65,3	45,7
Capitalized investments per capita, thousand soums	290,0	863,8	4229,2	4477,8	4187,8

According to Table 1, in 2010, the volume of investments in the fixed capital of Namangan region was 660.6 billion. is equal to soums, the share of investments in fixed capital in the GNP is 19.6%, and the volume of investments per capita is 290,000 soums.

These indicators indicate that in 2021, the volume of capital investments will be 12,321.4 billion. increased to 12982.0 billion soums. soums, the capitalized investments per capita increased by 4187.8 thousand soums to 4477.8 thousand soums. It should be noted that by this period, the share of capital investments in Namangan region in GDP increased by 45.7% to 65.3%.

As a result of the opportunities and conditions created for entrepreneurs, 72 small industrial zones were created in Namangan region on a total of 831.1 hectares of land (projects are located on 471.8 ha, vacant land is 182.4 ha), of which 18 young people are located on 127.1 hectares of land. industrial and business zones were established. 1,193 projects worth 7.0 trillion soums (4.8 trillion soums of own funds, 1.9 trillion soums bank loans, 31.8 million dollars foreign investment) have been placed in these industrial zones. jobs are created. As a result of the launch of these projects, an additional 8.5 trillion per year. production of industrial products and 171 million soums. dollar export volumes are created. Of course, the composition of the source of these investment funds has changed over the years (Table 2).

**Table 2. The composition of investments in fixed capital by sources of financing (percentage)**

Indicators	2010	2015	2020	2021	Change in 2021 compared to 2010, (+, -)
Enterprises and residents' own means	72,1	55,5	37,1	38,4	-33,7
Funds received	27,9	44,5	62,9	61,6	33,7
Among them:					
state budget	5,5	7,9	5,1	7,1	1,6
bank loans and other debt funds	11,7	10,7	12,7	15,4	3,7
foreign investments and loans	4,7	21,9	40,8	30,3	25,6
Others	6,0	4,0	4,3	8,8	2,8

If we pay attention to the composition of investments in fixed capital in Namangan region by sources of financing, the share of own funds of enterprises and residents was 72.1% in 2010, and by 2021 this indicator has decreased to 33.7% and equaled 38.4%. The reason for this is explained by the fact that the composition of received funds in 2021 increased by 33.7% compared to 2010 and reached 61.6%. In this

regard, we can mention that the state budget, bank loans and other debt funds have also increased, but it is worth noting that foreign investments and loans increased by 25.6% compared to 2010 and reached 30.3% in 2021.

It is worth noting that by the end of 2022, the following results were achieved in terms of the implementation of the defined plans from the following sources:

- 107.2 mln. in 2022, as part of the Investment Program, a total of 17 projects will be commissioned. dollar absorption is achieved;
- 111.6 million from projects involving direct foreign investment implemented in free economic and farm zones and small industrial zones in the region. dollars;
- 261.0 mln. got a dollar reserve. Also, systematic work on the implementation of large-scale projects in a number of important areas was organized in order to develop the Namangan region in the coming years. In particular, a meeting was held with the representatives of OOO "Natspromlizing" of the Russian Federation on basalt stone processing and production of building materials at "Eco Basalt" LLC in Chust district, and an agreement worth 100.0 million dollars was signed on the implementation of this project in Namangan region.

In addition, an agreement on the "Technical cannabis cultivation" project worth 45.0 million dollars was signed in the joint venture "Indo Organics" in the Pop district in cooperation with the Indian company "Ishan Group Companies", and the draft decision on the allocation of land for the project was approved in the prescribed manner. submitted to ministries and agencies.

Also, in order to develop the leather-shoe industry in the region, negotiations were conducted with the Italian company "Planet Industry Srls", and agreements worth 45.0 million dollars were reached on the creation of a cluster in the field of leather-shoes.

Taking into account the available opportunities for horticulture in order to develop agriculture and export products in the region, an agreement was signed with the company "Sibirskoe Zdrove" of the Russian Federation on the project of organizing intensive gardens and fruit processing worth 60.0 million dollars. Today, this company works on 400 hectares of land in Chust district with a total value of 4.0 million. an intensive garden with a total value of 6.0 million dollars was established. dollar fruit processing plant will be commissioned soon. Also, in the coming years, this enterprise will establish an intensive garden on 600 hectares of land in Chortoq district.

In general, the purpose of investment analysis is to determine the value of investments, that is, the effectiveness of their implementation, the result, which usually consists of determining the difference between the change in the profit received from investing in the implementation of certain investment projects and the change in the total amount of costs incurred within the framework of the projects.

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