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Development of the Material and Technical Basis of Production Pledge to Increase the Competitiveness of Industrial Enterprises of Ruz

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ABSTRACT: The main task of the development of the economy of the Republic of Uzbekistan is to ensure stable economic growth not only in primary industries, but above all in the leading high-tech industrial sectors. For the development of the material and technical base of production, it is necessary to intensify investment activity in industrial enterprises in order to ensure the future direction, intensity of economic development, increase competitiveness and economic efficiency of production.

KEYWORDS: modernization, diversification, economic growth, industrial production, high-tech production.

I. INTRODUCTION

The most important tool for dynamic and balanced economic growth, deep structural transformation and economic diversification is the active, targeted investment policy in the country. One of the main factors in the success of any economic model is the presence of foreign investors in the country, who are engaged not just in the pumping of natural resources, but the production of high-value-added products. And this is not accidental, because it is foreign companies that act as a kind of litmus test of the state of the business climate in the country

A distinctive feature of Uzbekistan's investment policy is that the priority is given to investment projects aimed at creating new high-tech industries that provide deep processing of local raw materials. Developing countries receive a large part of foreign resources in the form of concessional loans and non-refundable subsidies. The selection of countries that can qualify for concessional loans and subsidies is mainly based on the level of economic development. The least developed countries benefit from the greatest benefits, and, conversely, lending to dynamic new industrialized countries is much less different from lending to Western borrowers. However, preferential loans are also granted to them on the basis of political and military-strategic motives.

Uzbekistan, located in the heart of Central Asia, has all the necessary raw materials, as well as qualified personnel, so that production can develop soon. In addition, the country has already built the necessary logistics, connecting it with the countries of the region and with the Middle East, Asia and Europe. This allows you to pre-plan export supplies and think about entering markets not only from neighboring countries, but also from other countries.

II. RESEARCH METHODOLOGY

This article is analytical and research. The study is based on an analysis of key indicators of the development of the economy of the Republic of Uzbekistan. They are collected from various international and national scientific articles, the official website of the President of Uzbekistan, the ministries of foreign relations, investment and trade of the Republic of Uzbekistan, data from the official websites of national journals, etc. Analyzes the economic situation in the Republic of Uzbekistan, measures taken by the state to accelerate the introduction of the digital economy in the country. The work uses statistical and economic analysis methods, peer review method and method of calculating economic efficiency.

III. DISCUSSION

In Uzbekistan, transformational transformation processes continue step by step to create sustainable established market economy structures. The most important priorities that exist in the country today are deeply structural changes, they guarantee dynamism and planning, modernization and diversification of the leading sectors of the economy, form and deepen the investment and business climate, develop high technologies, competitive products with high added value, strengthening the export position.

The problems of this stage of the country's economy are to guarantee stable economic growth not only in extractive industries and rural farms, but above all in the leading high-tech industries. They are the determining of the socio-economic level of development of the state, the region, the competitiveness of its production and, accordingly, its place in the system of relations. However, the revival of industrial production is impossible without the restoration of a substantially new logistics base, updating and improving the efficiency of the production apparatus and its structure. In order to develop the material and technical base of production, it is necessary to intensify investment activities in the industry in order to ensure the forward-looking direction, intensity of economic development, increase competitiveness and economic efficiency of production.

Experts estimate that more than \$1.5 trillion should be invested over the next few years. for the sustainable development of our economy, or \$50-80 billion annually, this requires the development of a stable investment policy aimed at creating an effective mechanism that regulates the investment activities of industrial enterprises, as well as significantly increasing their investment attractiveness. In order to ensure structural change in succession, modernization and diversification of production, further development of high-tech industries capable of becoming the locomotives of stable economic growth, the most complete use of existing reserves in order to reduce the energy intensity of manufactured products, material and labor costs, as well as the expansion of the production of competitive finished goods and semi-finished products, which are in strong demand in the world market, actively attracting foreign investment for this, including by creating joint ventures with leading foreign companies Uzbekistan in 2017-2021

As part of this strategy, a list of large investment projects worth more than \$38 billion has been formed. The projects include the creation of 415 new enterprises, as well as the modernization, technical and technological renewal of 455 existing industrial plants. Government borrowing can put pressure on national budgets, as the impact of default is cyclical and unpredictable. Government venture capital programs can be designed to help companies at different stages of development, or to finance start-up, early development, expansion or even business restructuring.

The most attractive for investors at the end of 2020 were electrical (growth 24 times compared to the same period in 2019), chemical industry (growth 13 times), leather-shoe (growth 2.5 times) industry. Also, the oil and gas industry (growth 2.3 times) is showing good indicators (growth 1.6 times).

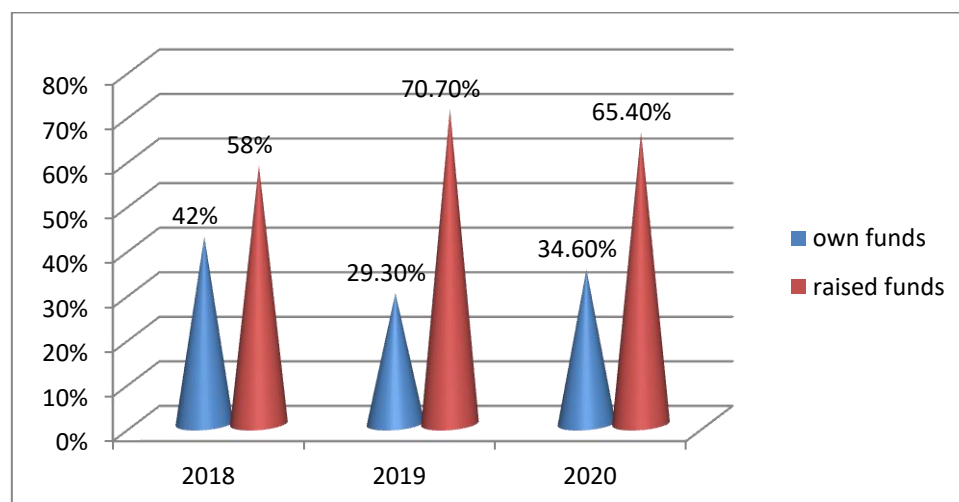


Figure 1 : Structure of mastered investments by sources of financing

However, at present, attempts to shape investment policy, as well as the development of the main areas to increase the investment attractiveness of industries engaged in high-tech industries, remain ineffective, often superficial, this to



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some extent is due to the lack of theoretical, methodological and organizational economic base. The development and implementation of a highly effective investment policy aimed at increasing investment attractiveness, economic efficiency, competitiveness of industrial enterprises, government regulation of needs and support, about year to year is becoming more relevant and in demand.

The formation of a favorable investment climate will allow to implement investment policies aimed at finding the most effective sources of financing, to support enterprises and to maximize the use of production, natural and scientific potential. The problem of developing investment resources, both regionally and locally, is of great importance. The main sources of regional investment projects can be: own funds of regional budgets; Businesses' funds Foreign direct investment; Improving the investment climate and expanding foreign capital attraction remain an urgent task for Uzbekistan. In addition to borrowing from national banks on a short- and long-term basis, enterprises can use the attraction of loans from foreign banks, consortiums of banks, as well as international financial organizations¹

Since 2000, the Republic has focused on the creation and development of industries that produce export-oriented products. This phase is characterized by the privatization of large enterprises, the restriction of the monopoly of state-owned companies, the increasing role of the private sector in industry, the acceleration of the process of liquidation of unprofitable enterprises, the introduction of an organizational management system and the increasing pace of localization.

In the modern economy of the country, industry occupies one of the leading places and consists of more than 10 integrated industries, including specialized industries and sub-sectors producing homogeneous products, as well as production, technologically related to the extraction and processing of raw materials or the production of finished products.²

The enterprise is considered competitive if it is able to fight for the market (reduce, increase or maintain the occupied market share depending on the company's strategy). This can be achieved through the introduction of modern technology and technology (providing environmental, socio-economic effects), the most efficient use of the company's reserves, reaching a high level of investment attractiveness, which together provides for the production of competitive products.

IV. RECOMMENDATIONS

It is now necessary to focus on high-tech industries, and these industries require a large investment in these industries. Therefore, the search for sources of investment and the identification of the main functional areas and areas of their use should be emphasized as the two main areas of investment policy to ensure the resumption of the capacity of industrial enterprises.

Micro-level investment policies should be developed in all industries in the long and short term and should address the following key challenges:

- Maximizing the profits from the implementation of projects;
- Increase in production, taking into account demand;
- Cost minimisation linked to the implementation of the investment project;
- Increase in market share;
- Improving investor welfare
- Increase the competitiveness of the entire enterprise.
- Increase the economic and other efficiency of the entire enterprise, etc.

Thus, at present, in the republic, despite the fact that in general the main legislation governing investment activities in the state budget and at the regional level, nevertheless, many aspects of government regulation have been developed, and in particular, the creation of favorable conditions for investors is in the process of improvement. The basis of the control system should be the four main interconnected elements.

Problems such as:

- Improving the tax system
- Improving the depreciation and amortization mechanism;

¹Abdurashidova Marina Sagatovna «Features of financing innovative projects in Uzbekistan», Economics and Finance Magazine, Issue 1(133), Tashkent, 2020 pp. 152-158

²Abdurashidova Marina Sagatovna "Development of the Industrial Sector of the Republic of Uzbekistan", «Science and global studies», II International Scientific Conference, Bratislava, Slovakia, 2020



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The establishment of special, stimulating investment activities, tax regimes;
Protecting the interests of investors;
Representing investment entities with preferential conditions for the use of land and other natural resources;
Creating opportunities for greater development of investment funds;
Increased use of public funds and other extra-budgetary sources of funding and so on [1].

V. CONCLUSION

Many economic factors in the country do not contain enough real prerequisites for strengthening investment processes, developing interest in the development of industrial potential in industry, creating a mechanism for the accumulation of investment institutions capable of organizing a stable investment process and inter-industry capital movement on a scale corresponding to the accumulated economic potential of the republic, which is a practical implementation of state investment policy, and is carried out so far with low efficiency.

The volume of investments in the high-tech industrial complex of the republic is insignificant, virtually without government support, and in the meantime some important functions of scientific, technical, structural and investment policy should be subject to state regulation.

In order to conduct a fundamental study, government financial support is needed, because enterprises are not interested in financing because of uncertainty about the results of the study. In this case, it is necessary that the state act as the main investor, investing capital in accordance with the criteria of market efficiency, which will contribute to additional capital inflows into those areas of production, which guarantees the maximum rate of return. Effective support and development requires the benefit of investors financing investment projects at the level of government regulation.

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