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**ECONOMIC AND SOCIAL IMPORTANCE OF CREATING
 COMPETITIVE INDUSTRIAL CHAINS AND INCREASING
 INVESTMENT PROJECTS IN STRENGTHENING ECONOMIC GROWTH**

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ABSTRACT

The article emphasizes the socio-economic importance of creating competitive production chains and increasing investment projects using the opportunities of the investment environment within the framework of reforms aimed at further enhancing the country's economic growth. In addition, an analytical approach to the state of production of industries has been developed and proposals and recommendations have been developed to increase the volume of investments based on investment projects to ensure a competitive production chain.

KEYWORDS: *Economic Growth, Competition, Production Chains, Investments, Investment Climate, Investment Projects, Direct Investments, Economic Complexity Index.*

INTRODUCTION

The Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis summarizes the results achieved this year, the work was done in the framework of the State Program "Year of Science, Enlightenment and Digital Economy" and the next year, as well as the most important tasks for further development. Priorities for domestic and foreign policy were identified [1].

It is no exaggeration to say that 2020 has been a dangerous year for the countries of the world, in particular, the whole of humanity is experiencing a global catastrophe called the COVID-19 coronavirus pandemic. It is true to say that such an unexpected catastrophe has not occurred on a global scale in the last hundred years.

LITERATURE REVIEW

In order to combat the coronavirus pandemic and the global crisis in our country, on March 20, 2020, Decree PD-5969 "On priority measures to mitigate the negative impact of the coronavirus pandemic and the global crisis on sectors of the economy" was adopted.

According to the decree, the Republican Anti-Crisis Commission headed by the Prime Minister was established to mitigate the negative effects of the coronavirus pandemic and the global crisis in various sectors of the economy, and the Anti-Crisis Fund was established. In addition, 10 trillion soums were allocated to the fund from the state budget.

The funds will be directed mainly to measures to combat the spread of coronavirus infection, support entrepreneurship, and employment, including the implementation of infrastructure projects, ensuring the sustainable operation of sectors of the economy and expanding social support [2].

At a time when strict quarantine measures have been strengthened in connection with the pandemic in our country, there is a need for targeted support to needy families in the regions. It is safe to say that the effectiveness of the "iron book" system, introduced at the initiative of the President, has become a program to maintain stability in social issues, such as employment and the provision of state assistance to needy families, and such good measures have yielded positive results.

In the context of the pandemic, one of the important tasks is to ensure economic growth of the country based on the priorities set by the President, to combat the crisis and mitigate it by creating competitive industrial chains, especially in the pandemic. and ensuring the functioning of the service sector is one of the urgent tasks. Therefore, the development and implementation of effective investment projects in the radical solution of the problems of employment and prevention of unemployment, poverty reduction in the regions of the country are of great importance.

Another important issue raised by the President in the Address is to ensure high economic growth in the country in the coming years. As the President said, economic growth requires constant development of new goods and upward advancement in the global production chain.

In his address, President Shavkat Mirziyoyev said that the oil and gas, metallurgy, machinery, electrical engineering, pharmaceuticals, construction materials, textiles, leather and footwear

industries, which are based on in-depth scientific and practical research and have all the potential, should become the "drivers" of our economy. They also expressed their views on what to do in 2021, focusing on the following, in particular [1]:

- ✚ Development of investments totaling \$ 23 billion in the sectors involved in the creation of competitive industrial chains and the commissioning of 226 large industrial and infrastructure facilities;
- ✚ reducing the state participation in investment policy, ensuring the priority of increasing the share of private and direct investment;
- ✚ to determine the list of promising industrial clusters by April 1, 2021, and to develop a separate program for their development;
- ✚ Increased production of industrial products under the "processing regime in the customs territory";
- ✚ In the field of geological prospecting in our country, 50 deposits and promising areas will be sold to investors through auctions.

Uzbekistan ranks 80th in the Index of Economic Complexity, an increase of 9 points over the past decade. For comparison, this is the best indicator among Central Asian countries. Another important aspect of this index is that the higher the index, the higher the income level of the country.

Based on this ranking, Uzbekistan expects an average annual economic growth of 4.5% over the next 10 years, ranking 23rd out of 133 countries analyzed. Another noteworthy aspect is that since 2003, the number of exported goods has increased by 23 new goods. During these years, the number of new products in Kazakhstan - 15, in Pakistan - 21, in Tajikistan - 10 [4].

RESEARCH METHODOLOGY

The main purpose of the study is to develop scientific and practical proposals and recommendations for the development of the industry based on the analysis of the current implementation of reforms to create competitive industrial chains and increase the socio-economic importance of increasing investment projects, as well as analysis of investment in industrial enterprises. Comparison, grouping, and empirical research methods were widely used in the study.

Analysis and results

Increasing investment projects is crucial in ensuring the country's economic growth and creating competitive industrial chains. In this regard, the development and effective implementation of investment projects, taking into account the country's resource potential, will serve to deepen structural reforms in industry, increase its competitiveness through modernization and diversification of key sectors of the national economy.

In particular, comprehensive measures are being taken to further intensify investment policy aimed at modernizing and organizing high-tech industries that provide deep processing of local raw materials and production of finished products with high added value. Extensive work has

been done to radically improve and simplify the implementation of investment projects, to expand the attraction and development of investment, especially foreign direct investment [3].

Within the framework of this decision, the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan jointly with the relevant ministries, departments, and other organizations developed 850.5 trillion soums on the basis of the Investment Program of the Republic of Uzbekistan for 2020-2022 soums of investments, including 35.5 bln.

Aggregate forecast parameters for the development of capital investments in 2020-2022, which provides for the development of foreign investment in the amount of US dollars, as well as the development and attraction of investments and loans in 2020-2022, the creation of 206 new production facilities and more than 31 thousand jobs in 2020 issues of launching large production facilities and capacities, have been identified.

Positive work is being carried out in the country with the support of our Government on the development of industrial sectors and attracting direct investors. In particular, investment relations with the World Bank, the European Bank for Reconstruction and Development, the Islamic and Asian Development Banks, and other international financial institutions are changing for the better. In addition, foreign investments in 2020 amounted to 6.6 billion US dollars in fixed assets [5].

It is the development and implementation of investment projects that are of great importance for our country as well as for investors. In this regard, the implementation of investment commitments is set to be carried out mainly in Phase 2. Today, the implementation of investment projects is important for every country. It is no exaggeration to say that investment as a "driver of the economy" is the "heart of the economy" - the driving force.

Along with investment in ensuring economic growth of the country, new technologies, advanced foreign experience, highly qualified specialists, small business and entrepreneurship are rapidly developing in various industries and sectors, as well as in the regions.

According to preliminary data, in January-November 2020, the enterprises of the republic produced industrial products worth 322.3 trillion soums, compared to January-November 2019, the volume index of industrial production amounted to 100.1%. The largest share in the structure of industrial production fell to the share of the manufacturing industry, which accounted for its share in total industrial production (83.1%).

The main factor in the decline in the physical volume of total industrial production was a decrease in mining and quarrying - by 22.5% and in water supply, sewerage, waste collection and disposal - by 6.2%. There was also an increase in manufacturing (processing) by 6.3% and electricity, gas, steam and air conditioning supply by 12.9%.

TABLE 1 THE VOLUME OF PRODUCTION OF CERTAIN TYPES OF INDUSTRIAL PRODUCTS BY LARGE INDUSTRIAL ENTERPRISES IN THE MINING INDUSTRY AND OPEN-PIT MINING¹

<i>Industrial products</i>	January-November 2019	January-November 2020	The difference +/-
Coal, thousand t.	3 513,5	3 710,4	196,9
Oil, ming t.	640,7	673,4	32,7

Natural gas, mln. cubic meters	55 252,4	44 926,1	-10 326,3
Gas condensate, thousand t.	1 932,3	1 268,4	-663,9
Pebbles, thousand t.	1 773,3	1 677,7	-95,6
Gravel, thousand t.	470,2	235,0	-235,2
Kaolin, thousand t.	296,4	351,8	55,4

The volume of products produced by industrial enterprises in January-November 2020 amounted to 267.8 trillion soums or 83.1% of total industrial output. The share of high-tech industry in the structure of manufacturing industry is 1.9% (in January-November 2019 - 1.5%), medium-high-tech - 23.1% (26.1%), medium-low-tech - 40.5 percent (36.6 percent) and low-tech - 34.5 percent (35.8 percent) (Table 1).

Foreign investment is mainly applied to solve financial problems. The use of funds by financial departments of foreign corporations for the purpose of obtaining high returns, including short-term investments, leads to the determination of material interest. Such investments are often based on the capital of private entrepreneurs, who sometimes issue their own securities and buy foreign securities.

TABLE 2 DYNAMICS OF CERTAIN TYPES OF INDUSTRIAL PRODUCTS PRODUCED BY LARGE INDUSTRIAL ENTERPRISES IN THE INDUSTRY²

Industrial products	January-November 2019	January-November 2020	The difference+/-
<i>Cars, pcs</i>	253421,0	260862,0	7441,0
<i>Trucks, pcs</i>	5 056,0	3 726,0	-1330
<i>Car engines, thousand pcs</i>	186,4	210,4	24
<i>Thousand tons of soft wheat and spelta it</i>	1 485,6	1 685,7	-200,1
<i>Cotton fiber, thousand tons</i>	367,1	510,7	143,6
<i>Thousand tons of vegetable oil (refined)</i>	160,2	146,2	-14,0

In January-November 2020, the industry produced 919.0 thousand tons of gasoline (decreased by 0.8% compared to January-November 2019), 407.1 thousand tons of yarn (9.1%), 1,685.7 thousand tons of soft wheat and spelta flour (13.5%), 226.6 million liters of beer (13.0%) and high growth rates were observed.

An analysis of the structure of foreign investment attracted today shows that the bulk of such investments are in export-oriented sectors: fuel and energy, oil and gas, chemicals, gold mining, and cotton processing, or short-term and large self-repayment. the fund focuses on high-yield projects that do not require: trade, telecommunications, catering, construction of office and hotel buildings in major cities, food industry, and financial services.

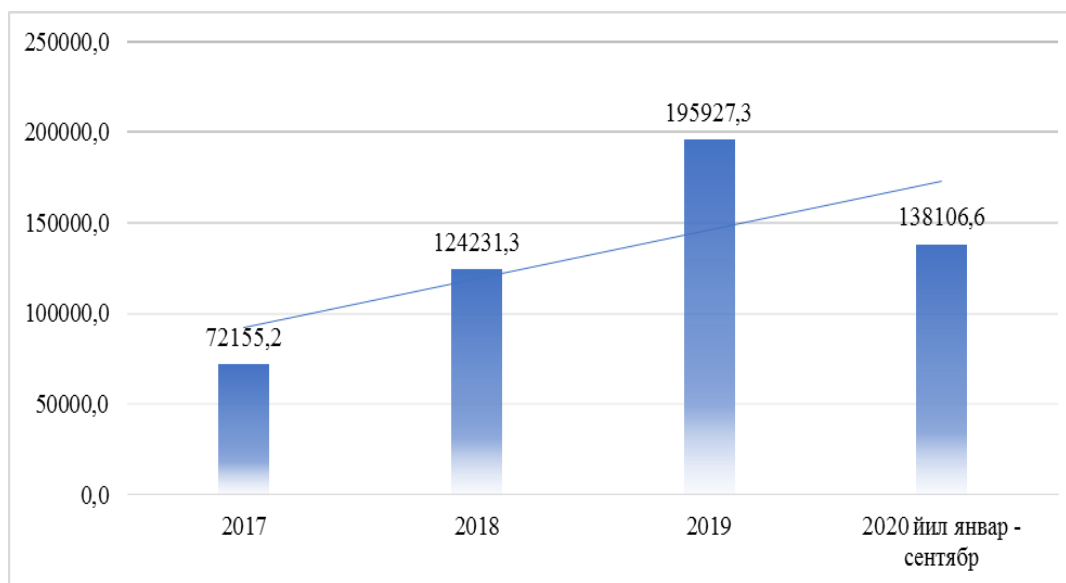
Ensuring the sustainability of production in all sectors is important in ensuring the chain of industries. In this regard, special attention is paid to the implementation of an active investment policy aimed at modernization of production, technical and technological renewal, production, agriculture, transport and communications and social infrastructure projects.

For this purpose, emphasis is placed on the use of centralized, decentralized funds, foreign investments and loans, as well as their effective use.

Of particular note is the work being done to attract investment for the implementation of projects on the structural restructuring of the economy, modernization of industries, technical and technological renewal.

As of 2020, it is planned to create 62,972 new jobs as a result of the disbursement of 16.7 trillion soums of investment funds on the objects of control over the inflow of fixed capital investments in the Republic of Uzbekistan.

Fig 1.



The volume of investments in fixed assets (in current prices, billion soums) [6].

The total volume of investments in fixed assets in the Republic of Uzbekistan in 2017 amounted to 72,155.2 billion soums, in 2019 - 19,5927.3 billion soums, in the three-quarters of 2020 - 138,106.6 billion soums (Figure 1).

Analysis of the factors and sources of economic growth in the country shows that in the pre-crisis period, high rates of economic activity were achieved mainly due to the acceleration of export potential, the volume of investments in the economy, systematic and gradual renewal of the economy.

Economic growth has been ensured by the deepening and expansion of economic liberalization, the stabilization of the foreign exchange market, and the rapid development of the small business and private entrepreneurship sector.

CONCLUSION

The economic and social significance of creating competitive industrial chains and increasing investment projects is growing, especially as a result of deeper processing of raw materials, implementation of structural policies aimed at increasing the share of high value-added goods,

reducing the share of agriculture and industry, services an increase in the share of industries is observed.

In conclusion, the measures taken to ensure the economic growth of the country, the creation of competitive industrial chains and increase investment projects, as well as technical and technological modernization of enterprises, expansion of the range of products and further increase the competitiveness of competitive industries. serves to create chains.

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