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THE NEED FOR INVESTMENT IN THE DEVELOPMENT OF THE COUNTRY'S ECONOMY AND ENTREPRENEURSHIP

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ABSTRACT

This article describes the investments in entrepreneurship, their role in the country's economy, the opportunities created, the stages of development of investment policy, the existing problems. The ongoing economic reforms in our country are directly related to the institutional changes taking place in all sectors of the economy. 2019 has been declared the Year of Active Investment and Social Development in our country. In this regard, the State Program was adopted, which created ample opportunities for the development of small business and private entrepreneurship.

KEYWORDS: *Entrepreneurship, Economics, Investment, Private Property, Government Agencies, Capital, Stages Of Development, Investor, And Investment Policy.*

INTRODUCTION

The ongoing economic reforms in our country are directly related to the institutional changes taking place in all sectors of the economy. 2019 has been declared the Year of Active Investment and Social Development in our country. In this regard, the State Program was adopted, which created ample opportunities for the development of small business and private entrepreneurship. Today, in the context of global integration and globalization, the development of active entrepreneurship in the country requires the organization of small business on the basis of innovative and modern approaches, advanced technology and management methods.

As the President of the Republic of Uzbekistan Sh.M.Mirziyoev stated in his Address to the OliyMajlis: Our first task should be to expand the ranks of such entrepreneurs, including the creation of favorable conditions for the import and introduction of high technology, machinery and equipment based on the latest scientific achievements in our country.” they pointed out. The main directions of comprehensive support for small business and private entrepreneurship, the elimination of some negative barriers to the rapid and sustainable development of business entities are being developed. We will achieve rapid development of our economy only through the active attraction of investments, the launch of new production facilities. Positive results in the economy provide an opportunity to systematically address the problems that have accumulated in the social sphere.

“World experience shows that a country that pursues an active investment policy has achieved sustainable economic growth. That is why it is no exaggeration to say that investment is the driver of the economy, in Uzbek, the heart of the economy. Along with investment, new technologies, advanced experience, highly qualified specialists will enter various industries and regions, and entrepreneurship will develop rapidly.”

It should be noted that the ongoing reforms in Uzbekistan and their results are recognized by the world's leading international rating agencies. For example, the world's leading rating agencies Fitch Ratings and Standard & Poor's have for the first time set an international sovereign credit rating for our country. These ratings have a "stable" outlook, which means that this figure is unlikely to decline in the next 12-18 months. It should be noted that such ratings obtained by Uzbekistan are higher than in many developing countries.

REVIEW OF THE LITERATURE ON THE SUBJECT

Ways to develop entrepreneurship and increase the efficiency of attracting investment in the industry have been studied in detail by foreign and European economists. In particular, K. from foreign scholars. Makonnell, S Brew, A. Marshall, Y. Shumpeter, J.B. Sey, A. Smith, D. Ricardo, Dj.S. Milya, V.M. Yakovlev, Yu.I. Ivanov, F.M. Rusinov, M. Veber, V. Zombart, P. Druker, V. Shepelev, D.V. Busigin, V.D. Kamaev, I.N. Gerchikova, F. Nayt, I.X. Tyunen, R. Kantilon, K. Bodo, I.X. Tunen, Naytear, D. Gelbreyt, E.V. Glushenko, E.V. Mixaylova, Class Eklund, A.I. Kaptsov, Yu.V. The Tikhonravovs and others made significant contributions to the development of entrepreneurial activity by studying certain aspects of their types and forms.

S.S. Gulomov, one of the leading economists of the republic, A. Vahobov, A. Abdukarimov, H. Abulqosimov, H.O. Rahmonov, Yo. Abdullaev, F. Karimov, E. Akramov, Sh.N. Zayniddinov, B.T. Salimov, T. Shodiev, Sh. Toshmatov, A.B. specific aspects have been studied to some extent.

Investment is a monetary form of expenditure on the restoration and increase of fixed and working capital, the expansion of production capacity. It is done in the form of cash, bank loans, stocks and other securities. "Investing" is "separating money today to make a profit in the future and believing that it is possible to invest in real or financial assets."

According to Swedish economist Klas Eklund, “investment is what is left for tomorrow in order to have more consumption conditions in the future.

Russian economist E. V. Mikhailova argues that "investment is defined as the burning of capital in any form for the sake of future income or social benefits." This definition is explained in a general and simple way, interpreted in the interests of a market economy.

Uzbek economists D.F. Gozibekov and T.M. Koralievs describe investment as all kinds of property and intellectual wealth that bring income (profit) or social benefits and are involved (spent) in entrepreneurship, business activities not prohibited by the state. Effective property and intellectual resources, ie investments, can take the following forms:

- cash, trust funds in banks, shares, stocks and other securities;
- Movable and immovable property (buildings, structures, equipment);
- Copyright, property rights consisting of the right to use inventions (know-how), other intellectual property;
- Land use and property rights and property rights;
- Other assets.

ANALYSIS AND RESULTS

Investment policy is one of the main directions of economic development of any country and the expansion of production in it. Therefore, the comprehensive development of the national economy requires an active investment policy. This, in turn, will ensure the implementation of profound structural changes in the republic. Activation of the flow of foreign and domestic investments in the sectors of the national economy is a key factor in launching a new stage of economic growth.

That is why the First President of the Republic of Uzbekistan I.A. As Karimov said: "The future of our country, its role in the system of world economic relations depends on investment. Accordingly, the active development of the economy requires large-scale investment. So, since investment is the driving force of any economy and its development, we must do everything possible to increase the volume of investment in our economy."

Investments play an important role in the economy of our country and in the development of entrepreneurship. In 2019, about 138 trillion soums, or 16% more than in 2018, were disbursed from all sources. In this regard, the volume of foreign direct investment has increased almost 1.5 times compared to 2019, reaching \$ 4.2 billion. Accordingly, it was planned to launch 142 modern enterprises.

In such a rapid development of all forms of entrepreneurship in our country, first of all, the tax incentives for this sector and the attraction of investment play a sufficiently stimulating role. In particular, in 2018, 18 interstate official visits were made and agreements were reached on 1,080 projects worth \$ 52 billion. The volume of joint investments with the World Bank, the European Bank for Reconstruction and Development, the Islamic and Asian Development Banks, and other international financial institutions amounted to \$ 8.5 billion.

Today, 456 projects worth \$ 23 billion are being implemented in our country at the expense of foreign investments.

As noted by President Sh.M.Mirziyoev: “For the first time in our country, the institution of Ombudsman for the protection of the rights of entrepreneurs has been introduced. Taxes in the business sector have been significantly reduced, and access to credit has been expanded. New free economic zones have been created, which provide a wide range of benefits to investors”.

In the future, we must do a lot to create a more favorable environment for entrepreneurship, business, create new jobs, increase incomes, and improve pensions.

The Law of the Republic of Uzbekistan "On Investment Activity" of December 24, 1998 is of great importance. Therefore, before talking about investment activities, we need to clarify the meaning of some terms related to this area (investment, capital investment, foreign investment). For example, in the years of the former Soviet Union, the concepts of "investment" and "capital investment" were interpreted in the same sense. In such cases, capital investment was understood as the creation and reproduction of fixed assets, investment in the repair and expansion of existing facilities. This is not true because funds are invested in both current assets and certain types of intangible assets, as well as various financial instruments.

Until now, the concept of “investment” has been interpreted differently by economists. Some economists define it as “all kinds of wealth mobilized for the purpose of making a profit from entrepreneurial activity”, while others describe it as the same as “capital investment” because the exact translation of the Latin word means “investment.”

Investment institutions include financial brokers, investment companies (dealers), investment advisers, investment funds, which are engaged in investment intermediation, the issuance of securities, guarantees for their placement in favor of third parties, the issuance of shares

The development of investment policy in Uzbekistan includes the following stages:

Phase 1 - 1991-1994.

Phase 2 - 1995-2003.

Phase 3 - 2003 - current period.

Step 1:

- Investment process for the creation of various forms of ownership (decentralization measures have been taken);
- Budget funding for socially important facilities that do not have private sources of financing has been retained;
- Measures were taken to introduce private property;

Step 2:

- Legislative base regulating investment activities has been created;
- Transition to competitive project financing;
- Measures to attract foreign investment are being implemented;
- Investment in the real sector of the economy has been strengthened;
- Different sources of financing have been used in the implementation of investment projects.

Step 3:

- Currency relations and operations are being liberalized;
- Important documents on protection of the rights and interests of foreign investors are being adopted;
- Technical equipment of enterprises is being strengthened;
- Priority is given to financing projects specializing in the production of export-oriented and import-substituting products.

On December 9, 2019, the Law of the Republic of Uzbekistan "On Investments and Investment Activities" was adopted. The purpose of this Law is to regulate the relations in the field of investments and investment activities carried out by foreign and domestic investors.

In the field of business promotion - to provide practical assistance to businesses in organizing, conducting and further development of business, to create opportunities and conditions for access to the services of government agencies and market infrastructure, through the provision of consulting and information support, to create business incubators for start-ups; Expert in the organization and preparation of business plans, obtaining the necessary information related to the implementation of entrepreneurial activities and solving practical problems, legal and advisory assistance, assistance to entrepreneurs in acquiring practical skills in the organization of investment and production processes, obtaining the necessary information related to the implementation of business activities, legal assistance to businesses in conducting business activities, inspections of their activities, financial and commodity resources, engineering and communication networks, technological machines and devices, to provide practical assistance in the use of production facilities, as well as land, to establish community-based committees, business and coordination councils with the participation of members and partners of the Chamber of Commerce and Industry, to introduce innovative entrepreneurship, startup projects, youth, especially higher and secondary special, active assistance to graduates of vocational education institutions in organizing and running their own business, as well as the rapid development of small, private and family entrepreneurship, various forms of home-based work, which will ensure the rapid growth of employment and income.

In the field of cooperation with government agencies- introduction of an effective system of cooperation and new forms of work with all branches of government - the legislature, the judiciary and the executive, as well as the flexibility and effectiveness of cooperation with banking and financial institutions and other market infrastructure entities; to promote the effective organization of interaction between government agencies, as well as local authorities at all levels, to create a practical and effective mechanism of cooperation on the principle of "direct and feedback", receiving and processing applications of business entities, submitting them to the competent authorities for consideration, as well as monitoring and analysis of their implementation, organization of the activities of Entrepreneurship Support Centers in regional centers, districts and cities, their competent state bodies and organizations, as well as interaction with economic management bodies providing public services.

In the field of education and training of business entities - Radical improvement of the quality of the system of training and retraining for business structures, improvement of curricula in areas

and specialties, taking into account the needs of the economy, the organization of regular training and retraining courses in each district and city by the following methods, The State Committee for Privatization and Development of Competition of the Republic of Uzbekistan and the Republican Center for Basic Entrepreneurship Training and its regional branches, including on the basis of professional colleges, organize cooperation in their spare time, international financial institutions, foreign donors and Establishing close cooperation with alternative centers for training entrepreneurs in foreign countries, the basics of doing business for entrepreneurs, drawing up business plans, development and conducting of training courses for business entities on the development of draft legislation in the field of entrepreneurship, organization of training in management, financial management and other necessary disciplines, assistance to entrepreneurs in the selection and training of staff, continuous professional development, qualified personnel in regions and entrepreneurship Participate in the formation of state orders for the training of specialists in secondary special, vocational and higher education institutions, teachers of higher education institutions, professional colleges for the organization of education, depending on the needs, the task of attracting practitioners, high-achieving entrepreneurs and foreign experts will be performed.

In the Field of Foreign Economic Activity and Investment Attraction- integration of business entities of the republic into the international business community, ensuring the export of domestic products to foreign markets, active promotion of national brands abroad, attraction of local and foreign investments, as well as modern technologies, organization of business forums, exhibitions and fairs. Participation.

Conclusions and Suggestions

The objective need for investment in the country's economy and the development of entrepreneurship is particularly noteworthy. But there are some problems in the recruitment process.

Problems in Attracting Domestic Investment:

- Insufficient collateral for loans for financing investment projects, the complexity of the loan application process;
- Lack of in-depth marketing research on the investment project and the negative impact of this project on the stability of future cash flows and the reliability of the source of loan repayment;
- One of the main problems faced by the initiators of investment projects is the poor use of non-credit methods of financing (leasing, factoring, franchising, etc.);
- Fulfillment of non-specific functions of commercial banks by credit and financial institutions. In many cases, banks act as supervisory and supervisory bodies, which negatively affects the relationship of the initiators of investment projects with the banking system.
- In some cases, the assessment of the creditworthiness of the initiators of investment projects is not conducted objectively;
- Poor preparation of feasibility studies for investment projects.

In conclusion, we can say that in any case, we must create all the conveniences and conditions for investors.

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