



## EFFECTIVE USE OF INVESTMENTS IN ACHIEVING ECONOMIC PROGRESS

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### Abstract

The structure of sources of investment financing in Uzbekistan is changing in the following years. In particular, from year to year, the share of state budget funds is decreasing, and the share of funds from the enterprise, foreign direct investment and non-governmental funds is increasing. The article outlines the role of investment in the pursuit of economic progress and its effective use.

**Keywords:** Economic progress, effective use, several sources of income, financial portfolio, effective ways to invest, investment projects, financial funds, financial risks, economic stability.

### Introduction

Investments are investments and assets that help protect funds and generate additional income. Then the crisis becomes a resource and opportunity that helps to generate income and dividends. Means to increase your assets, not a problem. It is important not only how and where to invest correctly, but also how to effectively manage capital.

Forms and types of investments:

- Classification;
- Choosing a tool;
- Real direct investment;
- Financial portfolio;
- Speculative;
- Choosing an investment tool.

In times of frequent crisis, ordinary people are faced with a shortage and devaluation of money, the loss of several sources of income and, if any, a rapid laundering of savings. And people who consciously form their income from several sources face the fact that some of them are zero. Experts always constantly and flexibly monitor the market, especially in times of crisis, predict



and choose effective ways to invest and accumulate income based on extensive analysis.

In his speeches at the Tashkent International Investment Forum, President Shavkat Mirziyoyev told about the results achieved in recent years regarding the introduction of investments in our country in the reform of the economy, including the fact that the volume of annual foreign investments attracted to our economy in the last 5 years has increased by three and a half times, and their total Thanks to this, the implementation of 59 thousand investment projects has made a worthy contribution to the creation of more than 2.5 million new jobs.

Investments are mainly made at the expense of the following sources:

- Investors own financial resources (profit, depreciation deductions, Cash funds, etc;
- Borrowed financial funds (bond bonds, bank loans);
- Attracted financial funds (funds from the sale of shares,
- Pay and other fees of individuals and legal entities • ;
- State budget funds;
- other funds.

### **Material and Methods**

The main conditions for safe investments are constant annual inflation processes (depreciation of money), its sharp jump into crises and regular market fluctuations between different areas of financing, relevant economic risks. For example, in Russia for the first half of 2022, prices for certain categories of goods increased by 30-40%. Inflation in the United States reached 8.6 percent – a record for the last 40 years. Unemployment and an increase in bank debt were added – debts of Russians to banks for more than one trillion rubles expired. It is during such periods that the need to figure out what to do with your money and various assets is especially acute. The assets of individuals and companies include their own valuable property and funds of various forms: houses and apartments, vehicles and equipment, material resources and precious metals, bank deposits, various copyrights and patents. In crisis conditions, the role of investors is to create assets that cover inflation.

Types of effective investment assets include:

- ✓ Shares and bonds of trust companies;
- ✓ Stock market;
- ✓ Real estate;



- ✓ Precious metals; (gold)
- ✓ Cryptocurrencies;
- ✓ Investments in business;
- ✓ Investing in education: having skills and abilities that generate income.

Classification of types of investments: there are several theoretical classifications of types of investments. By categories of investment objects:

Basic and working capital, as well as real long-term direct investments of tangible and intangible assets in the form of intellectual property. This is how the main funds of enterprises are created. They aim to expand, improve and upgrade production with delayed profit.

Financial portfolio investments lead to direct income. These are investments in the form of futures and securities, stocks, bonds and debt obligations. As well as investments in business, financial projects and leasing. The income from such investment objects is formed by regular dividends and an increase in prices if they are sold.

Speculative-investments in types of currency and precious metals.

The role and importance of foreign investment in the development of the economy of Uzbekistan: Uzbekistan has a number of advantages for attracting foreign investment to all conditions, to enter the group of countries where huge foreign investments are being directed. Uzbekistan plays an important role in the face of the world community with its level of socio-economic development, geographical location on the world map, composition and reserve of its natural resources, economic policies pursued by the government, etc.

In recent years, the composition of investments has changed dramatically, in particular, the importance of budgetary investments and bank loans. The strengthening of monetary policy, the instability of the financial situation of enterprises has its impact on the size of investment projects financed from the funds of enterprises and individuals. The fact that financing investment projects is effective for enterprises is the mechanism of taxes, which is the central link of economic infrastructure. Because both taxes and investments made on the scale of each enterprise occupy the main place in deciding the fate of the economic effect of projects. Uzbekistan is also developing consistent measures to create a favorable investment environment for the creation and financing of investment projects.



At their base lie two main factors:

- economic stability;
- macroeconomic policy integrated into the regulation of inflation processes and the increase in the solvency of the national currency-the sum.

## Result and Discussion

Uzbekistan experienced a decline in investment activity in 2020, with a growth rate of investments in fixed capital of 91.8% compared to 2019. 202.0 in 2020 trln.som investments in M fixed capital were appropriated, of which 65.4% or 132.0 trln. at the expense of the funds involved, the remaining 34.6% I or 70.0 trln. the sum was appropriated at the expense of the enterprise and the residents themselves. 39310.2 billion from centralized sources of financing. investments in fixed capital were appropriated by 19.5% of the volume of sums or total investments and 8.0% less than in 2019. 162,689.9 billion from decentralized funding sources. of the sum or total, 80.5% of investments were appropriated, an increase of 8.0% from 2019. In 2020, 51911.3 billion of enterprises and organizations at their own expense. the sum was invested in fixed capital, accounting for 25.7% of total investments. Of the population, 18,077.8 crore. the sum, or 8.9%, was appropriated. 28,740.5 billion from foreign direct investment. the sum was absorbed and decreased by 5.3% points compared to 2019, accounting for 14.2% of total investments. Investments in fixed capital in our country in 2021 amounted to 244.9 billion. som. The share of fixed capital investments in GDP was equal to 33.3 percent, and the increase in the volume of investments in fixed capital was 105.2 percent in 2021 to 2020. And we see this as a progress where the investment has gone from year to year. Essence and mechanisms, terms of investment

Investments are the imposition of funds, securities, property, property and other rights on the objects of entrepreneurship and Business Administration in order to receive income or dividends.

Investment goals:

1. Creating additional and basic income for the second salary or pension, life, family and travel.
2. Protect income and savings from inflation and financial risks.
3. Proper management of money to create capital and move to a state of financial freedom



## Conclusion

According to the final results, the creation of a favorable investment climate in the consistent implementation of structural changes in our country is the main factor. An investment environment is a set of economic, political, regional-legal, social and other conditions affecting investment processes in a country. It was noted that the investment environment is determined primarily through the following economic factors: it is known that natural conditions, including the reserves of minerals, the level of Labor qualification and average wages, the state of economic conjuncture, the capacity of the domestic market and the possibilities of selling goods on the foreign market, the state of the credit system, the level of taxation, the development of production and social infrastructure, state policy on foreign capital, preferential conditions. Since the independence of our country, the creation of a favorable investment climate has been one of the central issues of the economic policy of our state, which provides the basis for the effective use of investments in achieving economic development.

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