



Ways Of Developing The Activity Of Enterprises With The Participation Of Foreign Investments In The Development Of The National Economy

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Abstract: In the article, the opinions of the world's leading scientists on the development of the activities of enterprises with foreign investment in the development of the national economy, the share of foreign investments in the volume of investments made in the economy of Uzbekistan, the absorption of foreign investments in sectors, the dynamics of changes in the number of enterprises with foreign capital, the number of enterprises with foreign capital operating in Uzbekistan, and regions are studied. changes in the sector, the effects of direct investments on the productivity and income of companies, the debt funds of companies on assets, the growth of the size of the company's fixed assets were analyzed and compared, justified conclusions and proposals were developed on the development of the activities of enterprises with participation of foreign investment in the development of the national economy, and recommendations for application in our country were developed given.

Key words: Foreign investment, investment, foreign capital, resource, enterprise.

Introduction. As the experience of the countries of the world shows, the active attraction of foreign investments to the country's economy is one of the important factors of ensuring economic development. This issue is primarily related to the investment attractiveness of the country, the conditions created for foreign investors and the investment policy conducted in the country. In turn, the active attraction of foreign investments into the country's economy will lead to the further development of the country from the socio-economic point of view and ensuring the prosperity of the population, the implementation of structural changes in production and its intensive development, the introduction of modern technologies in the economic sectors, the production of competitive products, mineral raw materials and agriculture. High-tech production for deep processing of agricultural resources creates opportunities to increase the country's export potential. Ensuring the effectiveness of such an opportunity and the economic and social reforms aimed at achieving it directly depends on the extent and in what forms they are involved.

In international practice, scientific research is being carried out on attracting foreign investments to the country on a large scale, creating favorable conditions for foreign investors, ensuring the investment attractiveness of the regions, effectively using the country's investment potential, maintaining an active investment policy, and improving the forms of attracting foreign investments. In these scientific studies, special attention is paid to the issues of providing various financial (tax) benefits for foreign investors, developing stock markets, establishing free economic zones, and developing investment programs of various levels. In the development strategy of New Uzbekistan for 2022-2026, the issues "Goal 26: To further improve the investment environment in the country and increase its attractiveness, to take measures to attract 120 billion US dollars, including 70 billion dollars of foreign investments, in the next five years" are specifically defined[1].

If we take into account that most of the enterprises with participation of foreign investment consist of structures of different types of ownership, conducting research related to the introduction of modern organizational and economic mechanisms of organizing their activities is one of the urgent issues of the economy.

Literature review. In the process of analyzing the literature on the subject, several leading economists and specialists of the world conducted scientific research on the development of the activities of enterprises with foreign investment in the development of the national economy. Among them, the scientists of our country, B.Mamatov, D.Khujamkulov, O.Nurbekov, in their research "focus on the importance of foreign direct investment in the development of the national economy, in particular, that this type of investment directs production capital to the production of goods and services, and that a firm or enterprise purchase of a control package of shares, construction of production facilities, establishment of joint ventures, etc[2].

Economist A.Sotvoldiev in his scientific work suggests using "round-tripping" and BOT (built-operate-transfer) methods of investing in enterprises to increase the scope of foreign investments. As positive features of using these investment methods:

- ✓ the state plays an important role in the implementation of investment, but the expenditure is not carried out from the budget;
- ✓ after the end of the established investment agreement, the state will have a ready-to-operate facility;
- ✓ investment gives the state the opportunity to solve social and economic problems[3].

According to O.Astanakulov, the first stage of the enterprise's investment activities is complicated. According to him, the high level of probability at this stage is due to a more selective in-depth analytical approach. Based on the results of such analyses, the company's investment activity is planned and implemented. In our opinion, the efficiency of investment activity is achieved by selecting long-term and short-term investment projects based on the enterprise's investment strategy, using the net present value (NPV), internal rate of return (IRR), economic value added (EVA) models, without increasing the financial leverage ratio from the specified normative level[4].

The above-mentioned scientists focused on detailing their approach to revealing the features of the subject and gave recommendations. But this topic has not been fully disclosed.

Research methodology. In the development of the national economy, methods of economic research such as analysis of the researches conducted by world scientists to clarify in detail the ways of development of the activities of enterprises with participation of foreign investment, collection of all information on the subject, comparison, and logical thinking were used.

Analysis and discussion of results. Activating the flow of foreign and domestic investment resources to the spheres of the national economy is one of the decisive factors in ensuring stable economic development. In this regard, the large-scale attraction of foreign investments is of primary importance in the development of the national economy, and the President of the Republic of Uzbekistan stated that "in order to attract foreign investments, we must take measures to fully demonstrate the investment potential of our country"[5]. Accordingly, the rapid development of the economy requires multilateral and large-scale investments. Therefore, investments are the driving force of any economy and ensure its development, and it is necessary to increase the volume and quality of investments attracted to the national economy by using all opportunities wisely.

Uzbekistan is becoming a region of active interest of enterprises with foreign investments. Foreign investors coming to our country bring with them new management styles, sometimes completely unexpected styles for their national enterprises. In our country, many businesses encourage employees to engage in the process of new hires, appraisals, incentives, and employee development. In fact, direct investment is a broad concept and is a long-term capital investment that is made in the country or in the economy of another foreign country on the basis of risk without state guarantee, with the aim of obtaining economic results (profit) and social efficiency for the financing of socio-

economic projects. Analyzes show that direct investments are an important factor in the sustainable development of regions, and they create the conditions for spending sufficient investments in the region and rapid development of production, forming the basis of expanded reproduction (Fig. 1).

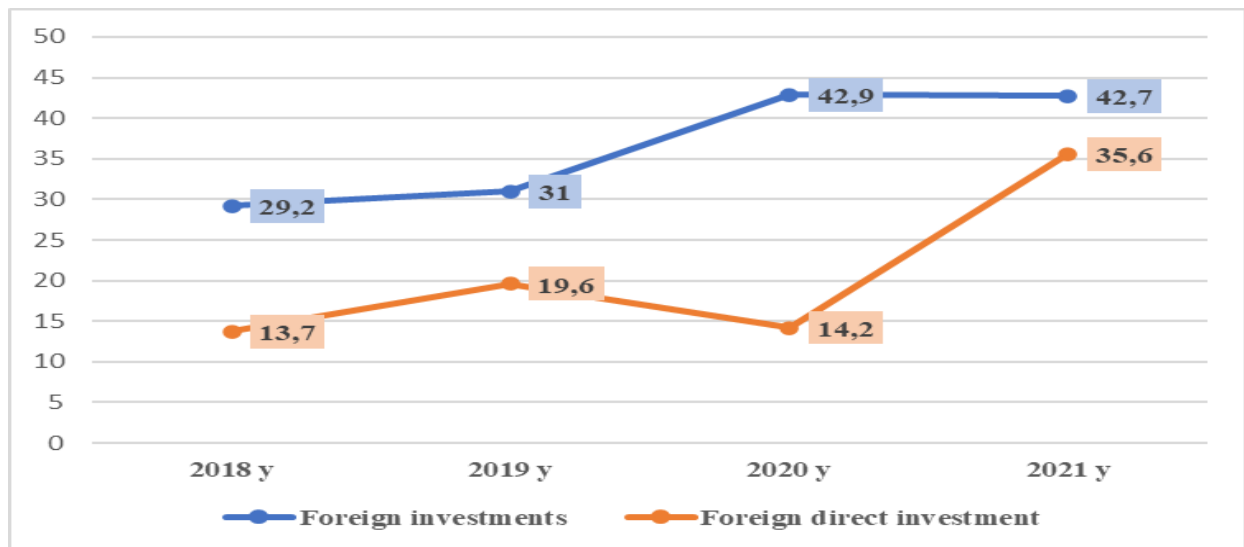


Figure 1. The share of foreign investments in the volume of investments made in the economy of Uzbekistan, (percentage)[6]

The share of foreign investments and loans in total fixed capital investments was 42.7%. 104,457.3 billion in 2021. soums (USD 9.8 billion in dollar equivalent) or 105.2% of foreign investment and loans to fixed capital compared to 2020. Foreign investments in the composition of foreign investments and loans amounted to 39,879.4 bln. soums and corresponding foreign loans 64,577.9 bln. organized sums.

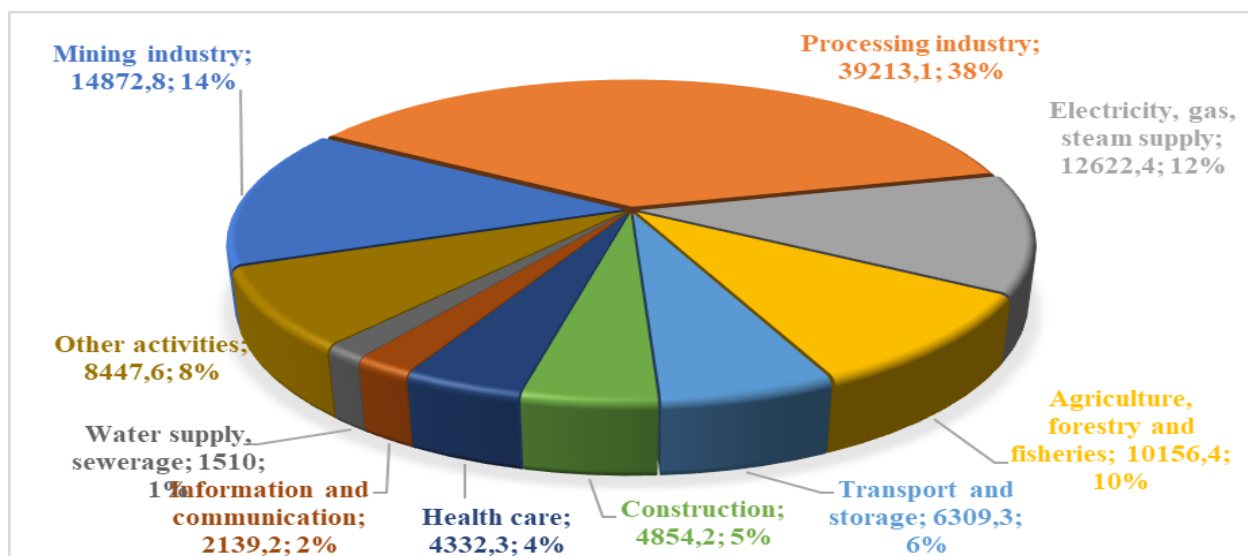


Figure 2. Absorption of foreign investments made in the economy of Uzbekistan in sectors[6]

From the data of the above picture, we can see that the largest part of foreign investments entering the economy of our country is in the processing industry (38 percent), mining industry (14 percent), electricity, gas, and air conditioning (12,1 percent), agriculture, forestry and fisheries (10 percent) and other industries.

It is worth noting that the management of enterprises with foreign investments always strives to fully use all the opportunities of multiculturalism. As of January 1, 2022, there are a total of 13,289 operating enterprises with foreign capital participation in our Republic, and their number has increased by nearly 2.7 times over the past 5 years (Figure 3).

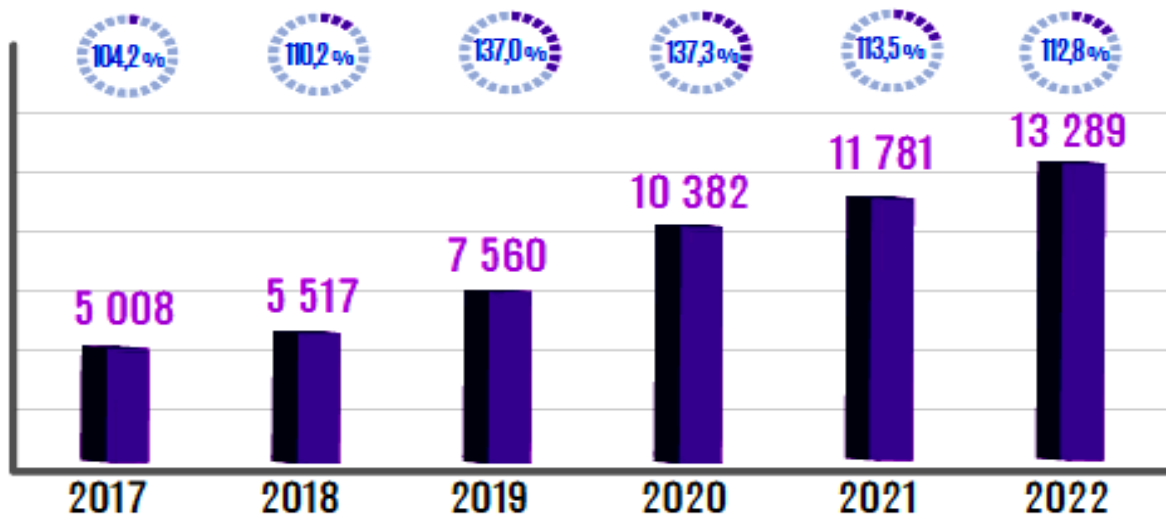


Figure 3. Changes in the number of enterprises with the participation of foreign capital operating in Uzbekistan[6]

The main part of enterprises with foreign capital is 7888 (59,37 percent), Tashkent region 1424 (10,7 percent), and Samarkand region 280 (4,8 percent). 169 of the 178 enterprises of the Republic of Karakalpakstan in the Khorezm region, which were established with the least participation of foreign capital. This requires working with foreign partners in these regions, and further development of the work to be done to attract investments.

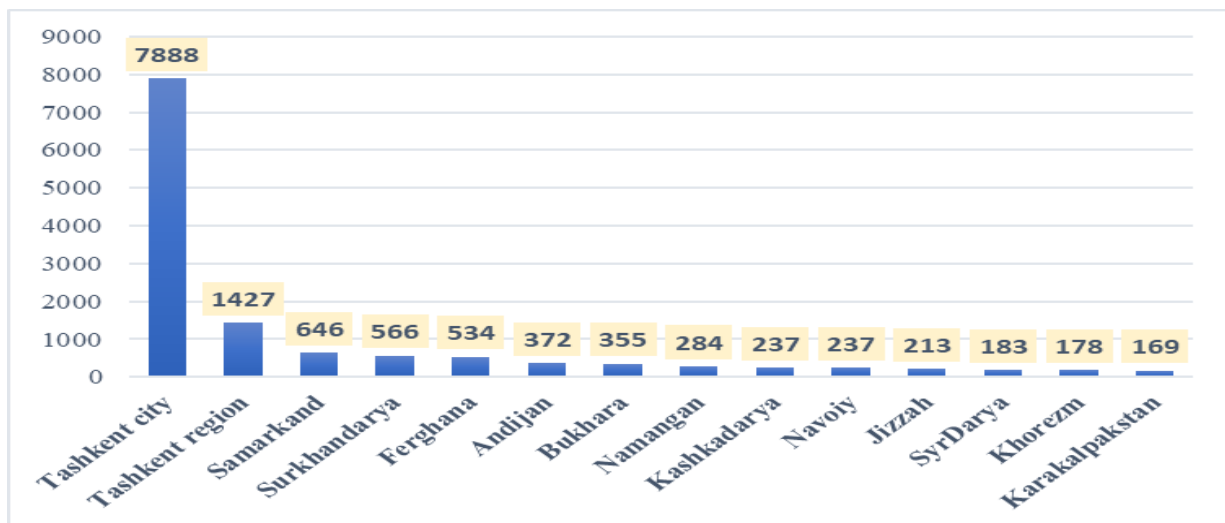


Figure 4. Changes in the number of enterprises with the participation of foreign capital operating in Uzbekistan by region[6]

The leading place is occupied by the Russian Federation, which has a full or partial share in 2,309 enterprises. This is 17,4 percent of the total number of enterprises operating in the republic with the participation of foreign capital. China (14,5 percent share), Turkey (14,2 percent share), Kazakhstan (8,0 percent share) and South Korea (6,7 percent share) are also leaders in investing their capital in the economy of Uzbekistan (4 picture). The analysis shows that the operational activity of companies with foreign capital investment significantly improves and profitability increases.

Analytical comparisons show that the growth of income in enterprises with foreign capital participation is 35% higher on average than in ordinary companies (Figure 5).

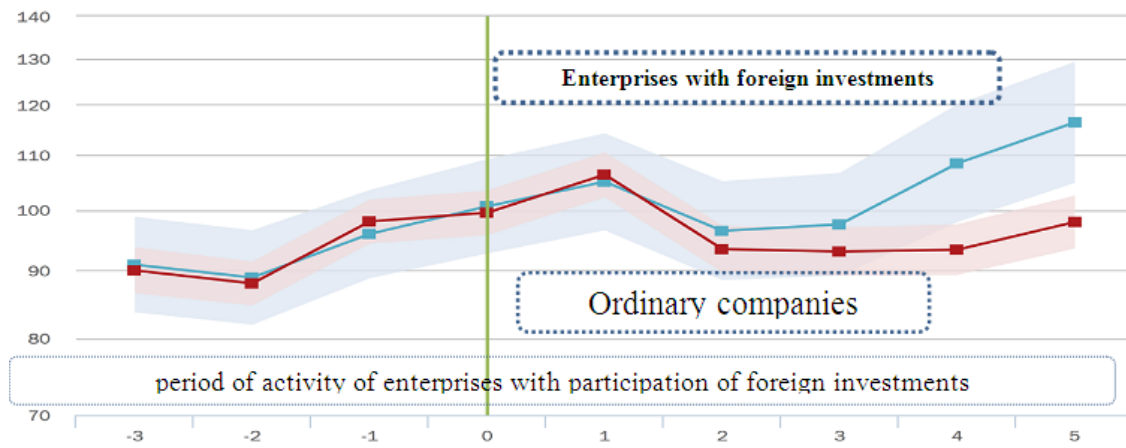


Figure 5. Direct investment companies impact on income[6]

If we take into account that the volume of sales in foreign-invested companies is growing faster than employment, they have an increase in sales per employee. This indicator is 30 percent more than other enterprises. This shows that enterprises with foreign investments can not only increase their number of employees, but also use them more effectively. This shows that the belief that foreign direct investment usually leads to a reduction in the number of employees is incorrect. The increase in labor productivity can last for many years (Figure 6). Initially, foreign-invested enterprises resemble comparable companies in terms of indicators, and later - several years after their investment, they achieve reliable results of increased efficiency.

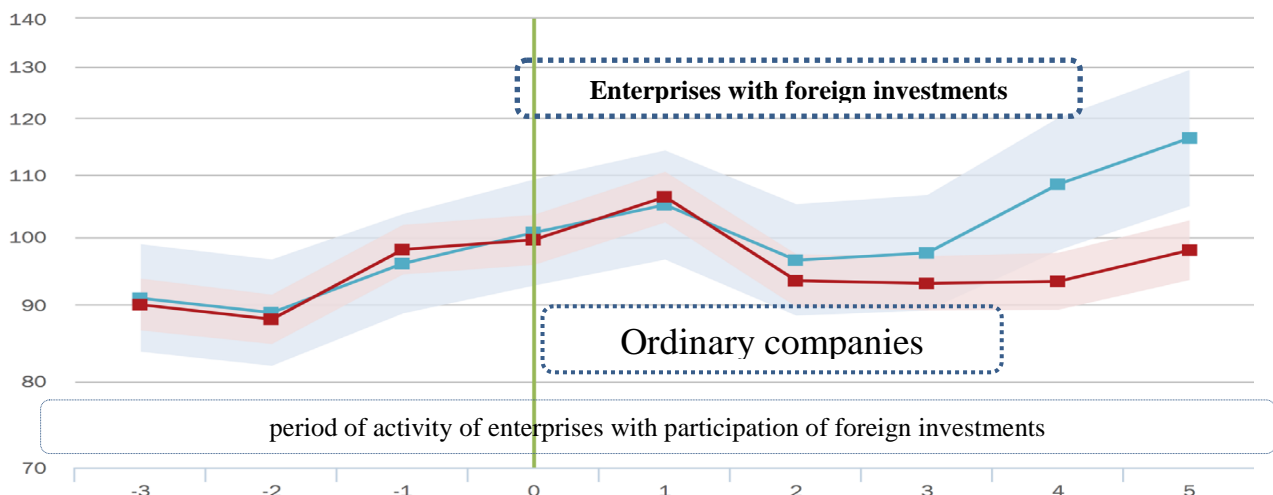


Figure 6. The impact of direct investments on the productivity of companies and their income^[6]

Analysis shows that after investment in enterprises with foreign investment, the increase in the value of capital fixed funds occurs 41% faster than in ordinary enterprises. The increase in fixed capital investment provides a 46 percent increase in the share of capital per employee. Real investment growth usually occurs within two years of the initial private equity fund investment. In the future, total material wealth will stabilize, which explains why the increase in labor productivity will appear at a later stage.

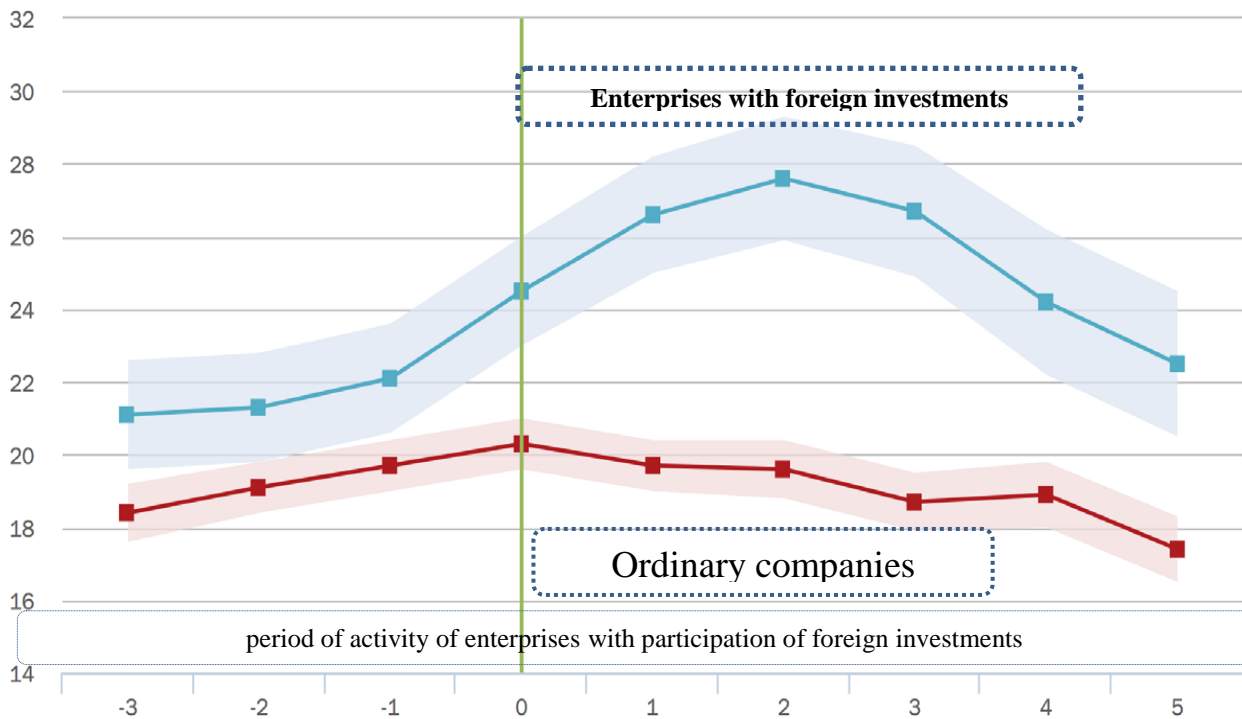


Fig. 7. The impact of direct investments on the ratio of company debt to assets[6]

It should be noted that a number of issues and problems regarding attracting investment funds of foreign investments to Uzbekistan are still open.

Based on our analysis of the activities of enterprises with participation of foreign investments, we believe that it is appropriate to implement the following measures:

In our opinion, in order to ensure the stability of the investment climate, first of all, it is appropriate to widely develop the investment risk insurance or protection system, to achieve the full implementation of regulatory legal documents. Also, the stability of the investment climate, in our opinion, the state's political attitude to foreign investments, the level of state intervention in the economy, the efficiency of the state apparatus, the political stability of the state, the general state of the economy (growth or crisis), the inflation rate, the stability of the exchange rate, tax and customs benefits, the value of the labor force and the method of using labor resources, the existence of supply and demand for specific goods and services, the credit price, and the attitude of society members to the formation of foreign capital and private ownership, the level of ideological knowledge of the society, and the organizational and entrepreneurial ability of the labor force. can be provided based on study and analysis.

Conclusions and suggestions. Based on our analysis, we can say that as a result of the research work on improving the efficiency of the enterprises with participation of foreign investments, the following conclusions were reached and suggestions were made:

Characteristic features of foreign investments are very principled and decisive in determining the essence of foreign investments, striving for maximum profit, consisting of funds (resources) of different forms (appearances), orientation to a certain goal, wide range of risks, unlike other funds, it is placed for a relatively long period of time. When all these characteristic signs appear at the same time, they serve to reveal the essence of foreign investments.

Establishing enterprises with the participation of foreign investment, opening foreign enterprises, establishing free or special economic zones and offshore zones, obtaining securities issued by residents of the country, forming consortiums, concessions and alliances, obtaining the right to own and use land and other natural resources, acquisition of all types of property and non-property rights, development of public-private partnership, introduction of special investment programs are considered important forms of foreign investment attraction in world practice today. The correct organization of the organizational and economic mechanism of joint ventures, as in any enterprise,

and the assessment of its impact on the effectiveness of the company's management, directly depend on the qualifications of managers and employees. The higher their level of knowledge, the deeper their knowledge of technical, management, and marketing disciplines, the more effective the organizational and economic mechanism of the company. In the modern economy, the improvement of the management system of any enterprise is primarily aimed at increasing its competitiveness in the market. In order to coordinate the activities of functional units based on the requirements set by consumers, regulatory authorities and partners in the market, a mechanism for implementing the competitive strategy of enterprises with foreign investments was proposed.

The management potential of the enterprise, like other economic categories, has quantitative indicators as well as qualitative characteristics, and in order to correctly determine the interests, problems, goals and tasks of the enterprise, it is important to evaluate it based on certain criteria. In order to ensure the success of the enterprise in the consumer-oriented market, an algorithmic model of the formation and use of management potential of enterprises with participation of foreign investments was proposed. In our opinion, the above scientific proposal and practical recommendations serve to improve the attraction of foreign investments to the national economy.

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