

Factors Affecting Investment Activity

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ABSTRACT

This article talks about investments and their influencing factors, the place and role of investments using effective methods in the development of the economy.

"Investment" is the main part of the economy, and the economic policy of the country also depends on investment. Every country should establish cooperation relations with foreign countries in order to achieve high results in production and economy, as well as to improve the living standards of the population. Investment is such an activity. It is necessary to approach investment activities while implementing modern projects to achieve efficiency in production. In doing so, we not only achieve effective results, but also establish cooperation relations with foreign countries.

In the following periods, investment cooperation with foreign countries increased. The proliferation of such projects will help solve major problems around the world. Investments are aimed at achieving profit or social results, i.e. investment traditionally means the implementation of concrete economic projects now with the aim of profiting in the future. Investment activities can be carried out by state individuals and legal entities. The economic and modern development of the country is influenced by the conditions created for the investment activity and the support of the local population for the investment activity, the steady growth of the economy, and the development of the investment activity. However, factors affecting investment and investment activity (that is, obtaining profit and achieving positive results) are not absent today.

What should we pay attention to when improving investment activity, what should we do, the goal is to improve investment activity.

In this regard, decisions and laws on investment and investment activities in the Republic of

Uzbekistan are legally protected. Necessary conditions have been created for them.

In 2023, 11 billion dollars worth of direct investments will be implemented in Uzbekistan, more than 300 giant projects and more than 3,000 local projects have been launched. In 2022, this indicator reached 9.5 billion, and more than 280 large projects were implemented. The development of investment will affect our reaching the peak of the economy as a modern developed country in the future, as well as export products to the whole world market. The most important thing is that after these projects, the number of jobs in our country will increase, which will lead to the strengthening of the material orientation of our people.

The following factors affect the investment activity.

The level of supply of labor and resources of the region.

- low level of scientific and technical potential and market infrastructure, slow production and economy, inflation, high level of corruption, also affect investment activity.

In addition, the volume of unfinished buildings, political processes, the government's attitude towards foreign investors, levels of social stability, religious relations, social and cultural factors, as well as the openness of information and data, the standard of living of the population, the development of medicine and the accuracy of real working hours, the local population to foreigners and the conditions created for the work of foreign experts, as well as the incompleteness of some laws or other normative documents.

Because different countries have different laws, it affects the investment activity.

The presence of such shortcomings reduces the investor's ability to determine the level of usefulness of the funds invested in making a profit. Investment activity is affected by investment depression, and interest rates also affect it. This, in turn, complicates credit issues. As a result of short-term lending under the influence of inflation, it is difficult to use investments in the construction sector. The stock market also serves as a factor influencing investments. These include state intervention in the economy, attracting large investments from abroad. Of course, the government's policies directly and indirectly affect the economy and business sectors. Acceleration of decision-making, effectiveness of law enforcement bodies, competitiveness of business, quality of work of businessmen and entrepreneurs, availability of conditions for labor and capital investments.

The amount of deposits, the ability of foreign currency banks to allocate loans, the interest rates of state loans, the level of development of interbank cooperation, the value of long-term loans, etc. Both macroeconomic and microeconomic factors affect investment.

1) Macroeconomic factors are conditions directly related to the national economy and occupy a large part of the population.

What we can include in this:

- tax system and the level of its improvement;
- inflation rate, legal investment support;
- general development and general condition of the country;
- attachment of foreign investors;
- state support for small and medium-sized businesses;

We can mention the scientific and technical potential of organizations.

2) Microeconomic factors include a part of economic theory that studies economic processes.

The purpose of investment activities is to create the most favorable investment environment and attract investments from all over the world.

We can divide the factors affecting investment activity into three groups, i.e. political, economic and social factors:

1. Political factors: State intervention in economic activity, degree of intervention in international agreements, state policy towards foreign investors, compliance with international agreements.
2. Economic factors: economic development or crisis, inflation rate, currency stability, tax benefits, availability of raw materials and goods.
3. Social factors: the organizational activity of the working class, the attitude of society members towards foreign investments.

The quality of life factor reflects all the conditions offered to foreign investors. The level of income of the local population and the types of manufactured products reflect the labor costs.

In my opinion, the factors affecting investment activity do not pose a great threat to investment activity, but these in turn bring new changes to the investment sector. In the production of enterprises, the transition from old equipment to the use of modern techniques that use new modern science and technology achievements. Also the products produced in our enterprises reach the ability to produce products in excess of the capacity of the enterprises. However, in order to regulate the economic and political factors in turn, the state's intervention is important. The investment projects we are currently implementing will help us stay ahead.

Paying special attention to social issues, we need to improve the relations of the members of society with respect to foreign investors and the changes made by investors in investment activities. In turn, I think that the intervention of state policy is important. projects that show will be implemented.

Making too many investments can also have negative consequences. For example, it leads to an increase in economic sectors. However, today we have all the conditions for investment projects, social, economic, political and even spiritual bias.

There can be no problems in the banking system, because our banks have mastered the types of exchange rates and are fully functioning. However, interest rates are also affected to a certain extent.

It can cause problems in credit matters. That is, as a result of giving loans for a very short period under the influence of inflation, investment activity in the construction sector becomes difficult.

Therefore, in my opinion, first of all, the implementation of investment activity with a thorough analysis, secondly, it ensures that these projects are correct and effective, and thirdly, the correct organization of evaluation indicators leads to great results in investment activity. Will come.

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