

Formation of an Effective System of Financing the Innovative Activities of Enterprises

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ABSTRACT

The article creating a positive investment climate should not be interpreted as a key process in the globalization of the economy, and as a result, the expansion of access to investment resources, which in turn will increase competition among investors. If we want to increase the volume of foreign investment, it is necessary to increase the investment potential of enterprises, regional conditions and conditions to a more acceptable and higher level than others (competitors), as well as to stimulate domestic (national) investment. we need to focus on ensuring that it is holistic.

Keywords:

enterprise risk, investment potential of the enterprise, investment climate, innovation in enterprises, small business entities, innovation, investment process.

1. Introduction.

The more favorable the investment climate, the lower the entrepreneurial risk of the investor, and this will increase the influx of investors. Conversely, the more unfavorable the investment climate, the higher the risk. This will increase the cost to the recipient of the investment. The state of the investment environment is important not only for the investor but also for the investor [1]. A number of such cases require a series of measures to improve the existing mechanism for attracting foreign investment to the country's economy and increase its efficiency in ensuring the competitiveness of national enterprises. In turn, the process of ensuring the competitiveness of national enterprises by attracting foreign investment in the country's economy is multifactorial integration. Therefore, a methodological approach to indicators that assess the competitiveness of the national economy is required in this regard.

The analysis of the socio-economic changes taking place in our country shows that

the modernization of the economy and the role of active investment policy are very important in the achievements and successes. Accordingly, it is important to create an effective system of enterprises, to study the theoretical and methodological basis for assessing the attractiveness of their investment climate and potential.

2. Literature review

The investment attractiveness of enterprises depends on the country's investment policy and the created investment climate. In particular, the investment climate is considered as a system of three elements: investment potential, investment risk and legal conditions [2].

Considering the factors influencing the formation of a favorable investment climate in the country/region, it should be noted that it is important for the country to be integrated in the world community in terms of investment attractiveness. The strategy of increasing the

country’s investment prestige is important for attracting foreign direct investment [3].

Interpretation of “investment potential” as a set of investment resources, consisting of part of the accumulated capital, expressed in the form of investment demand in the investment market, which has the potential to become a real investment demand that meets the material, financial and intellectual needs of capital reproduction reaches [4].

The attractiveness of the investment climate, the economic development of each region depends on the potential of capital and labor resources, the level of their use. It is generally accepted that the economic potential of a region and its potential is determined by the production of vital goods through the efficient use of all the complex resources available there [5].

Determining the ratio between dividends and reinvestment in a country’s dividend policy, protecting the rights of minority shareholders, increasing share prices, and expanding business activities can increase a company’s investment attractiveness, which has a positive impact on the country’s investment attractiveness [6].

Regardless of the field in which joint-stock companies operate in the country, one of the important tasks is to place additional financial resources, including attracting foreign investment. One of the most modern ways to

attract investment in joint-stock companies is to use the IPO mechanism [7].

3. Research methodology.

The role of foreign investment in ensuring the competitiveness of enterprises, the classification of risks affecting the activities of the enterprise, as well as scientific proposals and practical recommendations for improvement through the methods of systematic analysis were formed.

4. Analysis and discussion of results.

In the current socio-economic environment, the inflow of investment depends on the development of innovative industries and the development of innovative entrepreneurship, the investment climate and the investment mechanism.

Research shows that if the investment climate is good, on the one hand, it will increase domestic investment, which will lead to an increase in savings over consumption as part of the planned expenditures. This is a guarantee of high economic growth.

In a study of regional economics, the study grouped the factors that determine the investment attractiveness of the regions into a single system. It summarizes and classifies the views and scientific-practical views that represent the socio-economic potential of the region, reflecting the complex indicators as the main groups (Table 1).

Table 1
Classification of investment potential of enterprises and factors influencing it[8]

No	Group	A set of indicators
FACTORS AFFECTING THE LEVEL OF INVESTMENT POWER OF ENTERPRISES		
1	Production potential	- Production capacity: gross regional product (GRP); condition of fixed assets; productivity of factors of production; specialization of the region by industries and sectors; volume of imports and exports.
2	Innovative potential	- Scientific and technical potential of the region: scientific and technical achievements; those with academic and research degrees; volume of scientific and technical projects; those engaged in science; existing research and development institutes / branches in the region.

As a result of the active work of various factors of the investment potential of the above-mentioned enterprise, this concentration will allow the active inflow of foreign investment. And that, of course, creates more jobs, more income, more opportunities for economic growth. In addition, the most important thing is that foreign investors not only bring capital into the business, but also bring advanced knowledge and experience from their home countries. This will allow the country to grow economically in the future.

In January-March 2020, the volume of investments in fixed assets in order to expand, reconstruct and modernize the activities of enterprises and organizations in the country - 9093.0 billion. soums. The share of new construction in the structure of reproduction of investments in fixed assets in the country is 45.5%, modernization, technical and technological re-equipment the share of armaments and investments in expansion was 27.2%, and the share of investments in other areas was 27.3%.

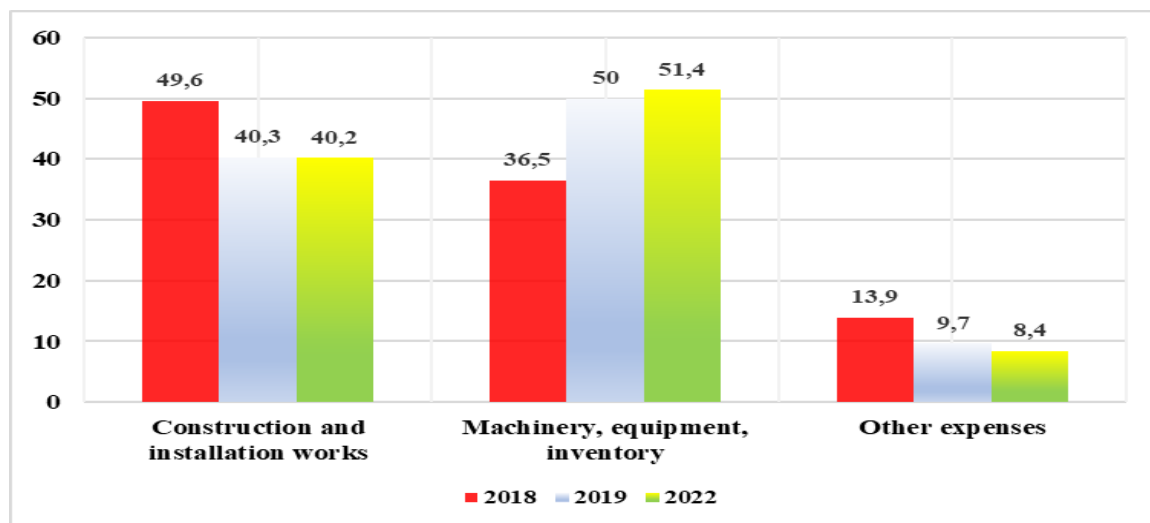


Figure 1. Technological structure of investments in fixed assets dynamics, relative to total (in percent) [9]

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The socio-economic development of the Republic of Uzbekistan and its becoming one of the most competitive countries in the world is closely linked with the investment policy of the country, the region and its economic sectors, as well as the investment attractiveness of individual enterprises.

Of course, it is a good indicator that investors from foreign countries carry out investment activities within the country. However, the majority of foreign capital-based businesses are in Tashkent, Tashkent region and Samarkand region. It is clear that the distribution of joint ventures by sector and industry has also led to disparities. Joint ventures registered in a single trade sector are 3 times more numerous than in the huge agricultural, forestry and fisheries sectors. However, the majority of investments in the trade sector are in financial terms, and the creation of new jobs is a few times less than in other industries. This, in turn, will minimize the emergence of a new layer of taxpayers and the positive impact on the renewal rate of fixed assets.

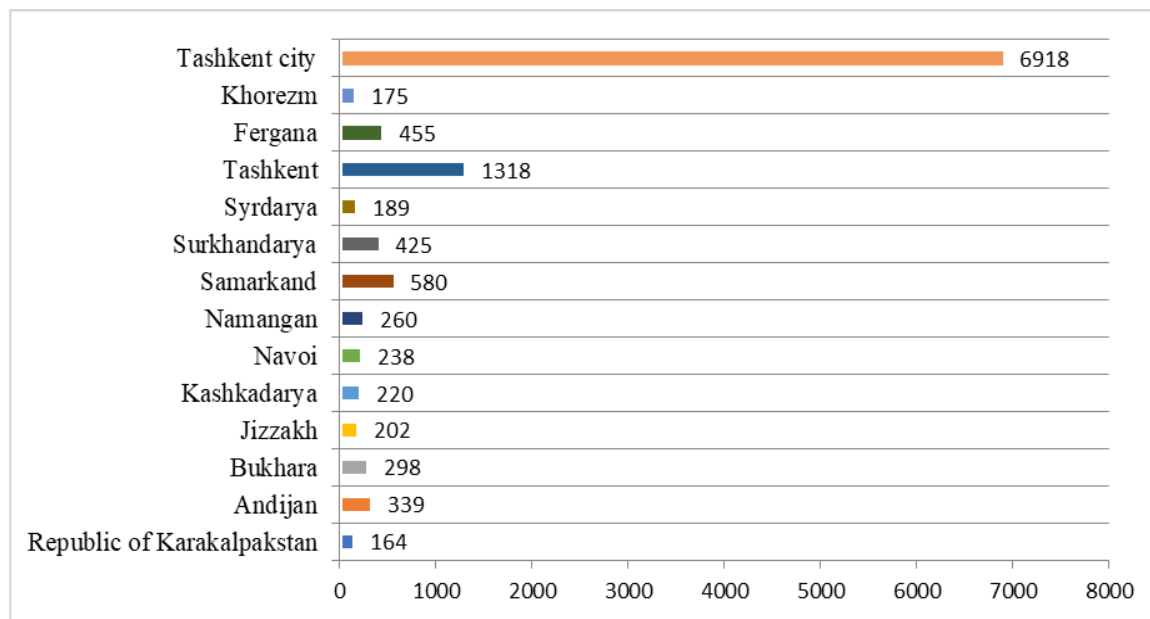


Figure 2. Business entities based on foreign capital by regions in 2020 (number) [10]

The results of the above analysis serve to justify the role of foreign investment, especially direct investment, in further deepening structural changes in the economy, accelerating investment activities of enterprises, modernization of production, technical and technological re-equipment programs.

Recognizing the importance of the role of foreign direct investment in increasing the investment attractiveness of our country, a number of measures are being taken to attract these investments. Attracting and fully utilizing foreign direct investment contributes to the growth of employment and living standards in the country, improving the income of the population, increasing the investment

attractiveness of our country in the international arena.

In the current context of developing a market economy, increasing the country's investment attractiveness is one of the most important indicators of capital inflows into the country. Policies to increase investment attractiveness also play an important role in attracting foreign direct investment to the country. "Economic growth is achieved primarily through the creation of competitive industrial chains and increased investment in such projects. At the same time, it is necessary to reduce public participation in investment policy and increase the share of private and direct investment" [11]. Therefore, the study of foreign direct investment is important to increase investment attractiveness.

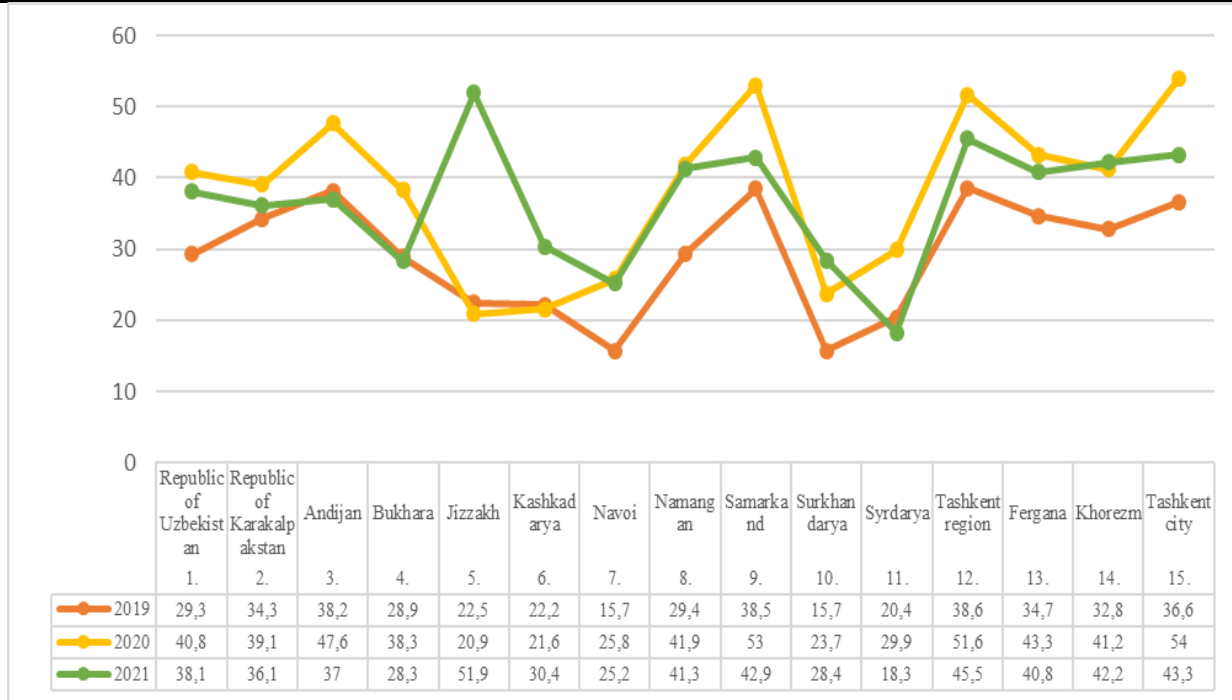


Figure 3. Structure of investments in fixed assets by sources of financing (Own means of enterprises and population as a percentage of the total) [12]

The above figures show the indicators of foreign direct investment and loans in the framework of investment projects by region (Figure 3). It should be noted that in 2021, the use of foreign direct investment and loans will be several times higher than in 2018. At the same time, we can see that our country has an active policy of attracting foreign direct investment and loans from international financial institutions. This shows that the volume of investment in the country's economy is growing from year to year. The improvement of the investment climate of enterprises operating in our country can be seen in the share of investments in fixed assets in the table above, which is reflected in the table above.

5. Conclusions and suggestions.

Summarizing the above analysis and comments, it should be noted that in the context of intensifying modernization processes, the medium and long-term investment strategy of enterprises to accelerate the flow of investment into the country, resulting in the organization of innovative production and job creation. It will also pave the way for a significant increase in

the country's export potential. Another important aspect of foreign investment is that it has a positive impact on the further development of the international integration processes of the recipient countries. This is a stepping stone for businesses to enter the global investment arsenal with competitive products.

- development of programs for the targeted use of foreign investment for the full use of the territorial export potential and others.

- optimizing the relationship between investors and the government to completely eliminate bureaucratic barriers and restrictions in the implementation of investment projects through digitalization and remote provision of public services;

- improving the system of attracting foreign investment in the implementation of strategically important projects, deepening the localization of production and expanding inter-sectoral industrial cooperation, economic growth and structural transformation of the economy;

➤ creating a favorable business environment based on high technology and creating high value-added joint projects;

Based on the above scientific suggestions and recommendations, their in-depth study, analysis and substantiation will yield results in the near future. It will also have a positive effect on increasing the country's investment attractiveness by creating a favorable investment climate in the country.

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