

IMPROVING THE EFFICIENCY OF THE USE OF FOREIGN INVESTMENTS IN SMALL BUSINESSES.

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Abstract: In the twentieth century, the social orientation of the leading countries of the world in their economic development led to an increase in the importance of the small business sector of entrepreneurship, which not only meets the economic needs of society, but also makes a worthy contribution to solving social problems of society. Accordingly, it is clear from the experience of developed countries that the small business sector has a significant positive impact on solving issues such as improving the competitiveness of the economy, introducing science and technology into production, creating new jobs and increasing household incomes.

Keywords: small business, entrepreneurship, foreign investment, international capital, joint venture, economic efficiency, competition.

Introduction

In scientific research it is noted that if in the 80s of the XX century 1.5 million small enterprises were operating in the USA, by 2010 their number reached 7 million. In the era of structural changes associated with the globalization of economic processes in the United States, the development of small businesses has become the main driving force in the economic recovery. Small enterprises provided more than 55% of all innovations in the country, which led to the fact that in this case twice as much effect was achieved for each employed employee than at large enterprises[1]. Expanding the scope of activities and improving the efficiency of small businesses are proving to be an important and relevant direction in carrying out modern structural changes in all countries of the world.

In Uzbekistan, also in the context of modernization, liberalization and globalization of the economy, the need to accelerate the integration of national economy sectors into the world economy and the formation of small businesses capable of establishing production based on modern technologies and products in demand by the market to better meet the growing needs of the population is increasing. In this regard, the Action Strategy for the five priority areas of further development of the Republic of Uzbekistan for 2017-2021 defines important tasks: "... increasing its competitiveness through modernization and diversification of the leading sectors of the national economy: ensuring the proportionality and stability of the national economy, increasing the share of industry, services, small business and private entrepreneurship in its composition..."[2].

In carrying out these tasks, it is of paramount importance, due to the current level of technological and financial development of our country and financial capabilities, issues of attracting foreign investment, including foreign direct investment, are becoming more important. There is also an obvious need to study the directions, conditions for attracting and

effectiveness of foreign investment in the regions of our country.

Analysis of the literature on the topic

The attraction of foreign investments in the economy and in small businesses that are part of it, as well as various aspects of the activities of enterprises organized with their participation, are reflected in the scientific works of a number of foreign scientists and economists of our country. The theoretical foundations for attracting and effectively using foreign investments have been developed by leading foreign scientists such as R.Vernon, A.Akamatsu, K.Kojima, E.Porter, K.Meyer, R.Burrell, L.Krkosa, H.Thomann, J.Dunning and R.Narulo[3]. The issues of attracting foreign investment in the formation and development of the small business sector in developing countries are revealed in the scientific works of Russian scientists who paid special attention to them, A.A.Agafonov, V.K.Bugaev, F.S.Tumusov, L.V.Davydova, S.V.Ilminskaya, E.Kocherin, Z.Vdovenko, M.S.Ilyasov, O.V.Fadeeva, V.K.Spilnichenko and L.A.Sarkisyan[4].

Theoretical aspects of increasing the efficiency of attracting and using foreign investments in the economy of Uzbekistan and its regions are reflected in the scientific research of A.V.Vakhabov, Sh.G.Yuldashev, A.Abdullaev, N.N.Sadykov, S.Nasretdinov, R.Z.Yuldashev, B.T.Baykhonov, D.D.Rustamova, N.G.Karimov, E.A.Makhmudova, U.U.Inoyatov[5] and others.

The main attention in these research works is paid to the substantive nature of foreign investments and their attraction to the small business sector of the national economy. However, no special studies have been conducted on specific aspects of small business in attracting foreign investment in this sector in the regions in the context of economic modernization. All the listed circumstances indicate a fundamental difference between this study and other works on this topic.

Research methodology

Methods of scientific abstraction, analysis and synthesis, induction and deduction, comparison, grouping, econometric analysis, survey and SWOT analysis were used in the research process.

Analysis and results

The systematic work carried out in recent years in our country to create a favorable investment and business environment, open a wide path for foreign investment, ensure the stability of legislation, develop small business and private entrepreneurship, radically improve the investment environment are aimed at structural changes, modernization and diversification of national industry and other industries, the formation of modern infrastructure.

Government programs are an important factor in the growth of investments. In the context of the impact of the pandemic on the economy and the system of measures to eliminate it, the author in the dissertation proposed improved mechanisms for attracting investment in small businesses (Figure 1).

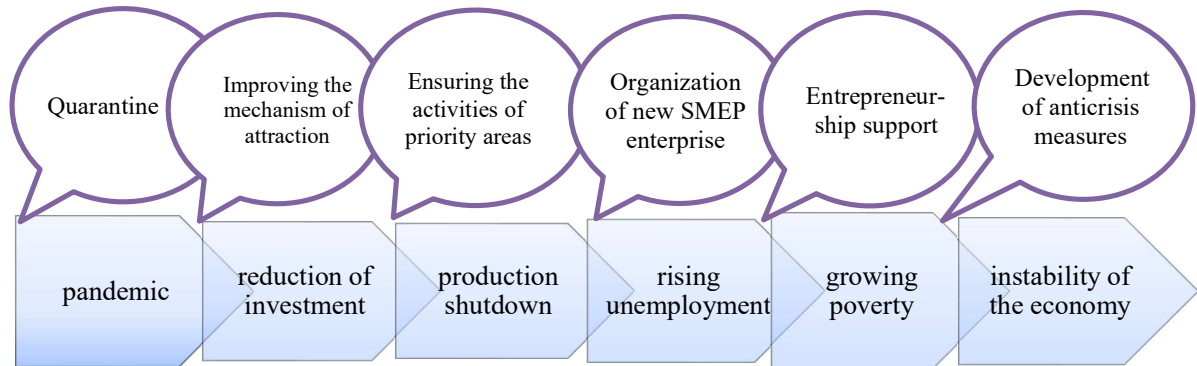


Figure 1. The impact of the pandemic on the economy and measures to eliminate it[6]

Based on the results of the conducted research, a number of proposals and recommendations were developed for timely breaking of this chain. In this regard, especially in order to attract foreign investment in the small business sector, effective mechanisms have been created in our country that open the way for various forms of investment, and these mechanisms consist of a set of measures, actions, rules, systems, structures that ensure the inflow of various forms of investment. This mechanism is manifested, first, in the implementation of investment attraction programs developed by public authorities (Figure 2).

In our opinion, it is necessary to distinguish three directions in the mechanisms of attracting foreign investment in small businesses.

1. Mechanisms providing financing.
2. Infrastructure systems and institutions that facilitate the inflow of investments.
3. Government measures, benefits and guarantees that attract investors to certain regions and industries.

Mechanisms that provide financing. These include corporatization (granting the right to issue securities to small business entities, obtaining a loan or collateral at the level of the value of intangible assets at their disposal), project financing (financing part of the cost of investment projects of small businesses by the state – direct financing by the state on the basis of private partnership), venture financing (creation of national and regional venture companies, today the number of such structures is very small, according to 2020 there were 3 venture companies and 1 venture fund, they invested 45.46 billion in the economy. sum[7]) and financing from the state budget.

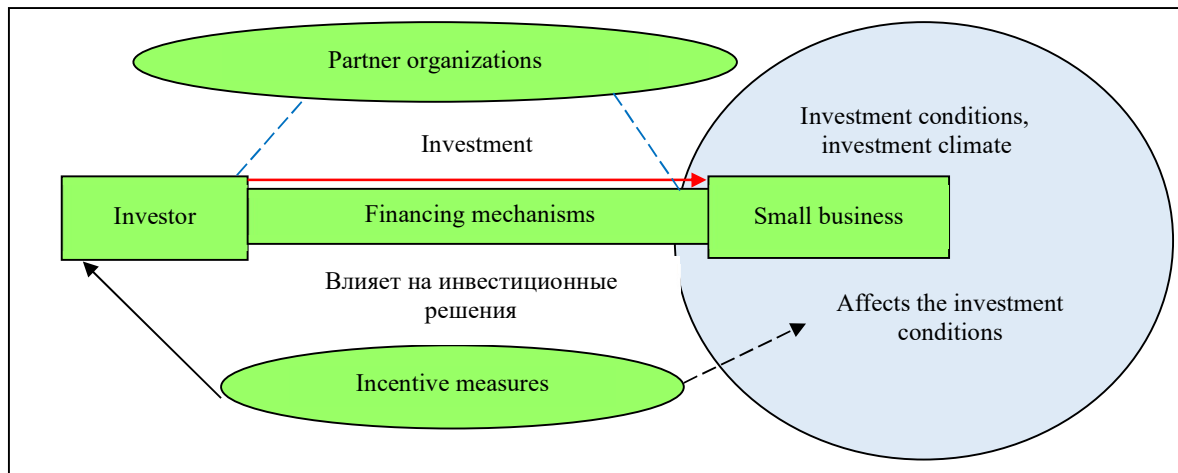


Figure 2. Mechanisms for attracting investments in small businesses [8]

Infrastructure systems and institutions that facilitate the inflow of investments. These include commercial banks and non-bank credit institutions, investment funds, trust funds, non-profit organizations and associations (Chamber of Commerce, Association "Woman Entrepreneur", Association "Hunarmand", associations of manufacturers of products related to various industries, etc.), consulting firms, etc. The Ministries of Foreign Affairs, Investment and Foreign Trade, embassies and representative offices of our country in foreign countries are charged with the duty to work with foreign investors, which plays an important role in attracting FDI to the small business sector with limited geography and scale of external relations.

Government measures, benefits and guarantees that attract investors to certain regions and industries. In recent years, the country has consistently implemented large-scale measures to further improve the business environment, increase the investment attractiveness of regions and sectors of the economy. As a logical continuation of such measures, in 2021, the procedure for issuing licenses and permits for 105 types of activities was canceled in the small business sector, the procedure for issuing licenses and permits for 115 types of activities was simplified, the moratorium period established for checking the activities of economic entities was extended for 1 year, the participation of business entities in the public procurement system (for to date, 4 percent), the amount of the advance payment in public procurement contracts has been increased to 30% [9]. And this is one of the main problems with the participation of small businesses in public procurement on a relatively medium and large scale – it plays a special role in the formation of working capital and ensuring financial stability.

This chapter systematizes the factors of investment attractiveness of the small business sector of Namangan region, justifies and evaluates the levels of risks that may arise. According to the analysis, the attractiveness of small businesses for foreign investors in the Namangan region in modern conditions is determined by the following factors (Figure 3).

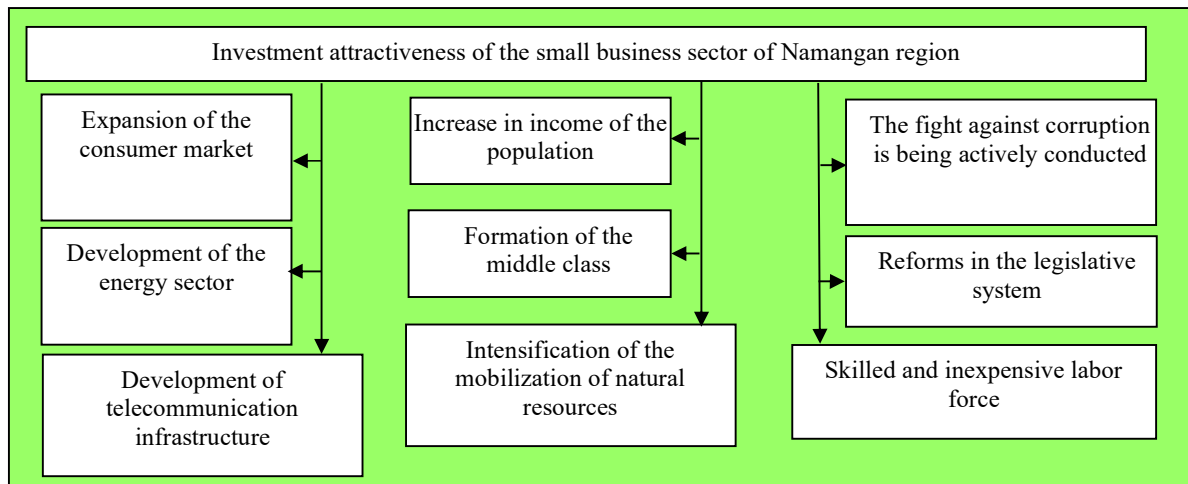


Figure 3. Investment attractiveness of the small business sector of Namangan region [10]

The growth of the consumer market reflects the activation of not only household consumption, but also productive consumption, which is explained by an increase in the number of small businesses, an increase in the share of operating in their total number, the activation of diversification processes in the small business sector, the introduction of high-performance technologies, etc.

In the context of global globalization, accelerated integration into the world community, in an environment of economic liberalization and the priority of an open economy, the development of telecommunications infrastructure is becoming more important than ever. In this regard, the active development of telecommunications infrastructure in Uzbekistan is one of the important directions of state policy. The fact that the past year 2020 was named the year of "Development of Science, Education, and the Digital Economy", and the implementation of a large-scale state program in this regard, is a clear example of this. If we turn to the figures, the total length of fiber-optic communication lines that ensure the quality of the communication system and the ability to transmit information in 2013 amounted to 12.7 thousand km, in 2015 - 16.4 thousand, in 2018 - 24.5 thousand km, in 2019 - 36.6 thousand km and in 2020 - 46.6 thousand km that is, in 2013-2020 it increased by 3.7 times [11].

According to the study, the expansion of the middle class layer was manifested through such criteria as the entry of the population, including households, into the securities market, an increase in the share of corporate ownership, the growth of deposits of the population in the bank, the increasing dynamics of the creation of economic entities.

For many years in the republic, natural resources and their use were considered a monopoly of the state, the direct activity of private business in this area was completely limited, in turn, foreign investments in the development of natural resources were also attracted only to finance state projects. However, this area has huge reserves of natural resources and is one of the most effective ways to attract foreign investment to Uzbekistan.

The place of reforms in the legislative system in the field of increasing the attractiveness of business can be characterized by such measures as the abolition of outdated and devalued

legislative acts, consolidation of legislative and subordinate acts (unification of legislative acts), elimination of repetition of the same legal norm in different legislative and subordinate acts and documents, elimination of cases of "legal loopholes" and "legal contradictions".

According to the analysis, the liberalization of the regulatory regime, the reduction of tariffs, the lifting of restrictions on investments in telecommunications, insurance, banking services, trade, logistics and other sectors of the economy paved the way not only for large companies, but also for small businesses and private entrepreneurs, and also provided an influx of foreign direct investment.

The dissertation conducted an econometric analysis of the activities of enterprises with the participation of foreign investments in the territory, determined the effectiveness of their development factors. Based on the objective of the study, the activities of the joint ventures "Tashbulak Tex" and "Namimpex Textile" operating in Namangan region were selected, and an econometric analysis of the impact on the production volumes of the enterprise (MIX), indicators of the export potential of the enterprise (KES), total production costs (JIX) and investments in fixed assets (AKI) was carried out according to the first scenario, as well as econometric analysis according to the second scenario of the impact of the number of employees (KIS), production capacity (IchQ) and fixed capital investment (AKI) on the production volumes of the enterprise (MIX).

Coefficients of the multivariate regression equation in the form of a nonlinear relationship using the Eviews program coefficients of the multivariate regression equation, as well as indicators representing the significance of the regression equation and coefficients, indicate that this relationship is within the limits based on the established criteria (Table 1).

Table 1

Econometric models of changes in production according to 2 scenarios of the enterprises "Tashbulak Tex" and "Namimpex textile"

No	Enterprises	Scenarios	A specific model expression for the process	t-statistics $t_{tab} < t_{acc}$ $t_{tab} = 2,37$	F-Fisher $F_{tab} < F_{acc}$ $F_{tab} = 8,88$ 7	MAPE<20 TIC<1	DW≤2
1.	Tashbulak teks	1- scenario	$MIX = 0,94 * KES + 0,95 * JIX + 0,41 * AKI - 423,9$ (1)	$t_{KES}=1,01$; $t_{JIX}=32,60$ $t_{AKI}=0,41$	$F=2754,0$	MAPE=19,3<20; TIC=0,1<1	DW=1,996
		2- scenario	$MIX = \frac{IchQ^{0,28467358} * AKI^{0,757} * e^{24,63}}{KIS^{4,18}}$ (2)	$t_{KIS}=-3,75$; $t_{ICHQ}=0,45$; $t_{AKI}=7,5$	$F=33,97$	MAPE=2,37<10; TIC=0,014<1.	DW=2,14

2.	Namimpex textile	1- scenario	$MIX = 0,97 * KES - 0,12 * JIX + 0,98 * AKI + 16079,4$ (3)	$t_{KES} = 4,9;$ $t_{JIX} = -0,24;$ $t_{AKI} = 2,24$.	F=61,2	$MAPE = 3,49 < 10;$ $TIC = 0,009 < 1$	DW=2,09
		2- scenario	$MIX = \frac{IchQ^{0,48} * AKI^{2,552038}}{KIS^{1,4} * e^{1,87}}$ (4)	$t_{KIS} = 0,298;$ $t_{IchQ} = 0,64;$ $t_{AKI} = 1,24$.	F=32,7	$MAPE = 1,64 < 10;$ $TIC = 0,0103 < 1$	DW=2,143

If we give, an economic explanation to this developed regression equation (1), then, according to statistical data to date, it has been established that the Tashbulak Tex enterprise has the ability to increase the volume of production and exports by 0.94 percent with an increase in each of the factors of production growth by 1 percent. An increase in production costs will lead to an increase in production by 0.95 percent, investment in fixed assets – by 0.41 percent.

Now, if we give an economic interpretation of this regression equation (2), then at present the increase in the production capacity of the Tashbulak Tex enterprise and the volume of investments in fixed assets by 1 percent, the increase in the volume of production of the enterprise will amount to 439.1 million sum and 21.2 million sum. Also, if the number of employees at the enterprise is reduced by one person, the volume of production of the enterprise will increase by 35.3 million sum. This, in turn, indicates that at the moment, there is no need for employees at the enterprise and the demand for labor at the enterprise is saturated. Based on the results of model (2), it is currently necessary to increase production capacity and attract additional investments to increase production at the enterprise, and it is recommended to develop measures for the effective use of labor resources.

Now we give an economic interpretation of the regression equation (3). If the export potential of the Namimpex Textile enterprise is increased by 1 million sum, then the volume of production will increase by an additional 0.97 million sum, and also, an increase in investment in fixed assets by 1 million sum increases the volume of production by an additional 0.98 million sum. If the total production costs at the enterprise are currently reduced by 1 million sum, the increase in production will amount to 0.12 million sum. This means that it is necessary to revise the cost estimates at the enterprise, plan production programs to increase the export of investments in fixed assets, plan future production programs to increase the volume of investments.

Because of the study conducted by the economic analysis of the regression equation (4), it was found that if the production capacity of the enterprise and investments in fixed assets are increased by 1 percent, then the production volume of the Namimpex Textile enterprise will increase by an additional 182.5 million sum and 62.9 million sum, respectively. It is worth noting, however, that now it has been established that a decrease in the number of workers by

one person is accompanied by an increase in the volume of production by 15.3 million sum. It can be concluded that, taking into account the saturation of demand for labor and taking into account the priority of the task of ensuring employment in the country in order to increase exports, this enterprise needs to provide and retrain a marketer and a leading specialist in establishing economic cooperation.

Now there is a need to create a separate legal regime in one country based on the principle of two systems of law "Two systems in one country", which would be flexible in meeting the changing needs of modern business, ensuring freedom from the influence of the national judicial system and law enforcement agencies, as well as from the influence of regulatory legal acts not intended to regulate the activities of free economic zones. In this regard, the dissertation believes that, as an experiment, it is advisable to establish a separate legal regime based on the experience of the Namangan free Economic zone.

In this chapter, a multifactorial forecast of the use of investments in small business and private entrepreneurship for 2021-2026 was developed and, in order to develop proposals and recommendations for achieving it, the economic activity of two joint ventures operating in Namangan region was analyzed in two scenarios of the results of a multifactorial forecast.

Let us analyze the multifactorial forecast of the volume of production of the Tashbulak Tex enterprise according to the first scenario, and for this, we use a multifactorial model of the volume of production:

$$MIX = 0,94 * KES + 0,95 * JIX + 0,41 * AKI - 423,9 \quad (1)$$

Export potential of the enterprise - $KES = 1703,1 + 487,6 * t$;

Total production costs - $JIX = -4029,4 + 9064,7 * t$;

Investments in fixed assets - $AKI = -731,9 + 393,7 * t$.

Thus, the values of the factors, as mentioned above, are calculated using time-dependent formulas ($t=12$).

The volume of production at the enterprise for 6 years will amount to 46 billion sum. To do this, it is necessary to increase 4 – 6 billion. sum investments in fixed assets. This result was achieved by increasing the total production costs to 1.4 points, and the export volume of the enterprise to 1.3 points (Table 2).

Table 2

Multifactor forecast of the Tashbulak Tex enterprise for first scenario[12]

Years	Production volume, million sum	The volume of exports of the enterprise, million sum	Total production costs, million sum	Investments in fixed assets, million sum
2021	107823,7	7554,3	104747,0	3992,5
2022	117054,9	8041,9	113811,7	4386,2
2023	126286,2	8529,5	122876,4	4779,9

2024	135517,4	9017,1	131941,1	5173,6
2025	144748,6	9504,7	141005,8	5567,3
2026	153979,8	9992,3	150070,5	5961,0

We determine the multifactor forecast of the Tashbulak Tex enterprise, selected as the object of research, according to the second scenario. The general formula for the forecast is as follows:

$$MIX = \frac{IChQ^{0,28467358} * AKI^{0,757} * e^{24,63}}{KIS^{4,18}} \quad (2)$$

Number of employees at the enterprise - $KIS = 151,7 - 1,4 * t$;

Production facilities - $IChQ = 61,3 - 0,9 * t$;

Investments in fixed assets - $AKI = -731,9 + 393,7 * t$.

The method of substitution using these formulas determines the results of the forecast.

The volume of production at the enterprise for 6 years amounted to 83 billion. sum. This requires 4 – 6 billion sum of annual investments in fixed assets. Compared with the expected results, the effect of investments in the company can be considered high. If the level of capacity utilization is increased, the results may be even better. This means that in the forecast period, the enterprise can be considered as a favorable object that can ensure the achievement of high economic results from investments (Table 3).

Table 3

**Multifactor forecast of the Tashbulak Tex enterprise for
2nd scenario[13]**

Years	Production volume, million sum	Number of employees, people	Production capacity utilization, %	Investments in fixed assets, million sum
2021	111755,9	135	72,1	3992,5
2022	125794,3	134	73,0	4386,2
2023	140790,4	132	73,9	4779,9
2024	156831,2	131	74,8	5173,6
2025	174009,6	129	75,7	5567,3
2026	192424,8	128	76,6	5961,0

The expected results from the change of factors in the multifactor equation in the 1-scenario are two times lower than the results from the multifactor equation in the 2-scenario. This means that other resources besides investments are not scarce or available enough for the enterprise. Without investments in fixed assets, they cannot give the expected results. Therefore, the company "Tashbulak Tex" should consider investments in the renewal of fixed capital as the most pressing issue and the path leading to the highest results.

Now we use a multifactorial model of the volume of production of the second enterprise "Namimpex Textile" for a multifactorial forecast for the first scenario:

$$MIX = 0,97 * KES - 0,12 * JIX + 0,98 * AKI + 16079,4 \quad (3)$$

Export potential of the enterprise - $KES = 1965,1 + 89,9 * t$;

Total production costs - $JIX = 528,2 + 39,8 * t$;

Investments in fixed assets - $AKI = 654,6 + 19,8 * t$.

In other words, the predicted values of the factors are calculated using time-dependent formulas (t=12).

The volume of production of the Namimpex Textile enterprise increased by 0.5% compared to 2020 in 2021 to 19785.6 million sum. During this period, the volume of exports of the enterprise amounted to 3043.9 million sum, total production costs 1005.8 million sum, the volume of investments in fixed assets amounted to 892.2 million sum (Table 4).

Table 4

The results of the multifactorial forecast of the textile enterprise "Namimpex textile" according to the first scenario[14]

Years	Production volume, million sum	The volume of exports of the enterprise, million sum	Total production costs, million sum	Investments in fixed assets, million sum
2021	19785,6	3043,9	1005,8	892,2
2022	19887,5	3133,8	1045,6	912,0
2023	19989,3	3223,7	1085,4	931,8
2024	20091,1	3313,6	1125,2	951,6
2025	20193,0	3403,5	1165	971,4
2026	20294,8	3493,4	1204,8	991,2

According to the results of forecast calculations, the volume of production of Namimpex Textile by 2026 will increase by 2.6% compared to 2021 and will reach 20294.8 million sum, the volume of exports of the enterprise will increase by 14.8%, and the volume of investments in fixed assets will increase by 11.1%, respectively by 3493.4 million sum and 991.2 million sum. But it is worth noting that the total production costs of the enterprise are growing disproportionately in relation to the above indicators. If measures are not taken to reduce the total production costs of the enterprise, then by 2026, compared with 2021, they will increase by 19.8% and reach 1204.8 million sum.

Now, based on the regression equation above, we will determine the results of the multifactor forecast of the Namimpex Textile enterprise according to the 2nd scenario:

$$MIX = \frac{IChQ^{0,48} * AKI^{2,552038}}{KIS^{1,4} * e^{1,87}}; \quad (4)$$

Each of the selected influence factors depends on the time (t=12):

Number of employees of the enterprise - $KIS = 179,3 + 1,7 * t$;

Production capacity - $IChQ = 62,3 - 0,4 * t$;

The volume of production is determined only by linking fixed capital to investments using the equations $AKI = 654,619,8 * t$.

The volume of production of the Namimpex Textile enterprise in 2021 increased by 11.6% compared to 2020 and amounted to 21962.0 million sum. To do this, the number of employees should be 200 people, the use of production capacities is 57.5% and the volume of investments in fixed assets is 892.2 million sum (Table 5).

Table 5

The results of the multifactor forecast for the second scenario of the Namimpex Textile enterprise [15]

Years	Production volume, million sum	Number of employees, people	Production capacity utilization, %	Investments in fixed assets, million sum
2021	21962,0	200	57,5	892,2
2022	22876,6	201	57,1	912,0
2023	23802,3	203	56,7	931,8
2024	24738,9	205	56,3	951,6
2025	25685,8	207	55,9	971,4
2026	26642,5	208	55,5	991,2

According to the estimated forecast, the volume of production of the Namimpex Textile enterprise by 2026 will increase by 21.3% compared to 2021 and will amount to 26642.0 million sum, the number of employees will increase by 4.3%, and the volume of investments in fixed assets will increase by 11.1%, the number of employees will amount to 208 people and investments in fixed assets are expected in 991.2 million sum. However, it is worth noting that if measures are not taken to fully utilize production capacities, it is established that by 2026 the use of production capacities at the enterprise will decrease by 3.5% and fall to 55.5%.

In the multifactor equation of the first scenario, it is noticeable that the results are significantly low. This does not necessarily mean that these factors do not produce results. On the contrary, the possibilities of mobilizing factors strongly depend on the volume of fixed capital investments.

Forecasts based on the multivariate regression equation, according to the second scenario; show that in order to increase production by 900 - 1000 million sum per year, an increase in annual investments in fixed assets by 19 – 20 million sum is required. This, on the one hand, shows that the expected return on investment is high, and, on the other hand, shows that investment is an extremely rare resource for an enterprise. Invested funds in fixed assets in this case dramatically increase the efficiency of other resources. Therefore, the renewal of fixed capital should be considered the most relevant and effective issue for the enterprise.

Discussion of the results of the study

In the introduction, the study substantiates the relevance and necessity of the research topic, defines goals and objectives, describes the object and subject of the study, indicates the

relevance of the study to the priority areas of development of republican science and technology, outlines the scientific novelty and practical results of the study, the reliability of the results, their implementation in practice, approbation and publication, provides information about the structure of the dissertation.

The research grouped, revealing the essence of foreign investment in small business and summarized modern approaches, conducted a scientific analysis of the theoretical aspects of attracting foreign investment in small business, the need, economic foundations and the main forms of attracting foreign investment in small business.

Relying on the theory of attracting foreign direct investment (FDI) into the economy in scientific research on attracting foreign investment in small businesses helps to clarify the directions of effective economic development at the expense of foreign investment. In our opinion, the theoretical concepts of FDI allow us to justify the international investment activities of transnational corporations and their impact on the development of the national economy. The practical significance of theories about FDI lies in the fact that they allow us to get a meaningful answer to such questions as, for example, why potential foreign investors chose a particular country or territory when investing and whether they made investments in one form or another.

The second chapter of the study scientifically analyzes the current state of attracting foreign investment in the small business sector of Namangan region, as well as the infrastructure support system, which is of priority importance for attracting foreign investment in small business. Based on the results of the analysis based on econometric models, the effectiveness of the use of investments in the small business sector of Namangan region was studied.

The third chapter of the study examines the main directions of increasing the investment attractiveness of the Namangan region, the role of small and medium-sized enterprises with foreign investment in attracting foreign investment to the region and priority areas and prospects for attracting foreign investment in the innovative development of small business.

Conclusions and suggestions

Based on the study improving the efficiency of the use of foreign investments in small businesses in the context of economic modernization, the following scientific conclusions were made:

1. In a number of economies around the world, our country's economy also suffered from the coronavirus pandemic, which led to negative consequences along the chain - such as a reduction in investment in the country's economy, the cessation of production, increased unemployment, increased poverty and destabilization of the economy. Based on the results of the research work, mechanisms were substantiated to eliminate the chain of the pandemic's impact on the economy, which are based on a set of measures, actions, rules, systems, structures that ensure the inflow of various forms of investment.
2. From the point of view of the location and development of enterprises with the participation of foreign capital, Namangan region can be assessed as "satisfactory" - in terms of the availability of natural conditions and mineral resources, "high" - in terms of the availability of

labor resources, "medium" - in terms of transport infrastructure and "good" - in terms of economic and geographical location.

3. Based on the results of the study, it was found that Namangan region has great opportunities and high potential for the organization of enterprises with the participation of foreign investments in enterprises specializing in the processing of agricultural products, the production of building materials and textile products.

4. In our opinion, it is necessary to distinguish three directions in the mechanisms of attracting foreign investment in small businesses:

- mechanisms providing financing. These include corporatization, project financing, venture financing and financing from the state budget;
- systems and organizations that contribute to the inflow of investments. These include the Chamber of Commerce and Industry and various commercial and non-profit organizations;
- government measures, incentives and guarantees that attract investors to certain regions and industries.

5. According to the results of the study, it was found that the number of enterprises with the participation of foreign investments in the Uychinsky, Uchkurgan, Chartak, Chust, Mingbulak and Kosonsai districts of Namangan region is small and the activities of existing enterprises in them are insufficiently established. Therefore, in the future it is desirable to give priority to the organization of joint ventures with the participation of foreign investors in these areas.

6. As part of the objectives of the study to improve the efficiency of the use of foreign investments in small businesses, it was determined that with an increase in the production capacity of the Tashbulak Tex enterprise and the volume of investments in fixed assets by 1 percent, the volume of production of the enterprise will additionally amount to 439.1 million soums and 21.2 million soums, respectively. Also, if the number of employees at the enterprise is reduced by one person, the volume of production of the enterprise will increase by 35.3 million soums. This, in turn, indicates that at the moment there is no need for employees at the enterprise and the demand for labor at the enterprise is saturated. Based on the results of model (2), it is currently necessary to improve the use of production capacities and attract additional investments to increase production at the enterprise, it is also recommended to develop measures for the effective use of labor resources.

As a result of the conducted research on the Namimpex Textile enterprise, it was found that if the production capacity of the enterprise and investments in fixed assets are increased by 1 percent, then the volume of production of the enterprise will increase additionally, respectively, by 182.5 million soums and 62.9 million soums. It is worth noting, however, that with a decrease in the number of workers by 1 person, the volume of production will increase by 15.3 million soums. It can be concluded that, taking into account the saturation of demand for labor and taking into account the priority of the task of ensuring employment in the country in order to increase exports, this enterprise needs to provide and retrain a marketer and a leading specialist in establishing economic cooperation.

7. It is necessary to make certain changes in the sources of financing of investment activities of joint ventures in the region. For this:

first, it is necessary to accelerate the participation of the population in investments in joint ventures. This allows you to solve several tasks at once. In particular, the population, buying stocks and bonds, receiving dividends or interest, will have additional sources of income and increase their well-being. Enterprises will receive additional financial resources with minimal risk and will be able to further increase their investment activity;

secondly, it is desirable to revive the share of commercial banks in the investment activities of enterprises. To do this, it is necessary to develop preferential lending mechanisms for strategic investment projects designed for the long term. This event will also have a number of socio-economic priorities.

8. As part of the investment policy in Namangan region, it is necessary to organize monitoring of investment activities and systematization of information about investors and those who need investment funds; creation of an effective mechanism for attracting financial resources for the implementation of investment programs of industrial enterprises of Namangan region; development of legislation regulating investment activities in the Republic and Namangan region; development of the investment infrastructure of the industrial complex of the region, necessary to increase the investment activity of industrial enterprises and potential investors; to form a positive investment image of Namangan region in the country and around the world.

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