

FACTORS DETERMINING INVESTMENT ACTIVITIES OF THE REGION

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Annotation: This article discusses the factors that determine the investment activity of the region, interacting system of leverage that impacts to investing activities at all levels in order to enhance existing production facilities or advancing newly established enterprises as well as socio-economic development and competitiveness of these regions.

Keywords: investment activity, agriculture, investment, profit, investments, assets, property, land, buildings, precious metals, types of payment and financial obligations, instruments, regulation methods, investment mechanism, levers, resources, organizational, financing, borrowed funds.

Investment activity is a multifaceted and multi-level concept. As a result of the scientific and technological revolution and the growth of labor productivity, the ratio between the branches of material production and the service sector has changed dramatically. In industrially developed countries, the share of people employed in the service sector is almost twice as high as the share of people employed in the branches of material production, accounting for more than two-thirds of the total number of people employed. The mass of social labor employed in agriculture is decreasing absolutely and relatively.

Investments are distinguished: 1) in fixed assets (capital) - capital investments or real investments; 2) in securities - portfolio investments; 3) public, private and foreign. An important step towards an adequate assessment of investments is the concept set out in the Fundamentals of the Legislation on Investment Activities of Uzbekistan, where investments are understood as all types of property and intellectual values invested in objects of types of activity, as a result of which profit (income) is generated or a social effect is achieved.

In our opinion, we can agree with the above definition, since, firstly, the relationship between the processes of converting investment resources into investments is disclosed, and secondly, an extremely broad classification of investments and objects of investment activity is given. Objects of investment can be financial or tangible assets. Investments in tangible form are divided into movable and immovable property, land, buildings, precious metals, and durable goods. Investments in financial form include all types of payment and financial obligations created by the main economic agents in the course of economic activity.

Investment of various types is carried out through investment activity. Investment activity is a set of practical actions of legal entities, citizens and the state to implement investments.

At different stages of the country's development, various instruments and methods for regulating the investment process are used, the set and combination of which form the investment mechanism.

The investment mechanism is a purposefully created, interacting system of levers of influence on investment activity at all its levels in the interests of expanding existing industries or advancing newly created industries. The investment mechanism consists of the following structural elements: resource, organizational, legal, motivational.

Resource provision for investment financing functions in three forms: internal financing (capital investments), external real investments and external debt financing (loans and credits). Sources of internal investments are: own authorized capital, deductions from profits,

depreciation, insurance compensation fixed assets, financial resources of higher-level holding and joint-stock companies, etc. External investments also have different sources: financial resources from republican and local budgets, entrepreneurship development funds; foreign investments in the form of financial resources, material resources, intangible assets; direct investments of international financial institutions and organizations; various forms of borrowed funds (loans from the state, funds, banks, other enterprises, bond loans and bills). The organizational block of the investment mechanism involves the creation of structures and conditions that facilitate the initiation of the investment process, planning and implementation of various projects, assessment and implementation of measures to improve the efficiency of investment activities. [1]

Stable functioning and development of the economy is an effective investment activity. The results of economic activity at different levels of the economic system are largely determined by the scale, mechanism for attracting investments, structure and efficiency of their use.

The agro-industrial complex and agriculture of the region, in particular, have specific features that determine the features of investment activity in this area.

The main approaches to investment activity in the agriculture of the region are implemented with the help of an economic mechanism. Some scientists define the economic mechanism of the agro-industrial complex as a set of methods and forms of influence on the economic interests of commodity producers in the sphere of agro-industrial production in order to motivate their production and investment activities and saturate the food market. In practice, this is expressed in the interaction of such economic levers for regulating production as prices, taxes, credit, and finance. Their interaction determines, on the one hand, the functioning of the economic mechanism of the agro-industrial complex as an integral system, and on the other hand, as an integral part of the entire national economic mechanism.

The economic mechanism of the investment process in agriculture re We consider the mechanism as a set of price, financial and credit relations aimed at achieving the set goals. It includes the main part of economic relations arising in connection with the reproduction of the social product and income. The theoretical basis for the formation and functioning of this mechanism is the content of the law of value, supply and demand, money circulation, the relationship and proportion of production, distribution, exchange and consumption. The renewal of fixed capital as a material basis for the reproduction cycle and overcoming the crisis situation is the basis of investment activity, which is based on innovation and other areas of scientific and technological progress. [2]

The functions of the economic mechanism of investment activity in the region's agriculture are predetermined by the action of general and specific factors (i.e. driving forces) of its development. In a single reproduction process, all factors of production are closely related and in a complex system of their actions complement each other. At the same time, due to various functional features and the real force of influence on the level and efficiency, specific factors have different "specific weights". Since all factors of production are closely related and interdependent, it is often impossible in practice to ideally distinguish the impact of individual factors on its level and efficiency.

The functional features of various factors of development and increase of efficiency of agricultural production, their capital intensity, activity of impact on economic indicators of enterprises and organizations allow distinguishing their separate groups. It is proposed, in particular, to distinguish five groups of factors influencing the aggregate economic result in

agricultural production: technical and technological, organizational and economic, general economic, social, natural. Some economists consider it necessary to subdivide technical and technological factors into technical and technological, although in the process of production equipment and technologies develop within the framework of functional unity with their inherent organizational and economic support.

In the complex of factors in the conditions of limited resources, an effective economic mechanism is of decisive importance in increasing the level of production efficiency, the improvement of which does not require large additional resources. Moreover, a well-established mechanism of management allows saving and economizing them. To increase the effectiveness of this mechanism, a flexible system of material incentives for production is necessary, mastering the tools and the entire mechanism of market competition, the mechanisms of land and rent relations, ensuring the economic independence and economic initiative of producers in the production of products and their marketing.

When studying the factors of agricultural production, the features and place of the economic mechanism in them, it is usually overlooked that in the general group of economic factors, not only the elements and subsystems of this mechanism operate. These factors also include those that affect the level and efficiency of production through state regulation in the form of direct budget support and measures of agricultural protectionism. The economic nature of both levers and instruments determines the legitimacy and necessity of their comprehensive analysis, however, with the corresponding isolation, due to the different functional role. In the first case, we are talking about instruments of self-regulation or indirect economic regulation, and in the second, about the direct regulatory impact on the reproduction process in the region's agriculture by the state.

In a market economy, the factors or levers (instruments) of the economic mechanism of investment activity, the action of which is based on internal self-regulation, competition rules, economic freedom and the right to choose direct producers within the framework of the current agricultural and general legislation, are of dominant importance. The entire market economic mechanism is focused on the implementation of the principle of self-financing, which is the fundamental principle of the entire system of commodity-money relations. Low-profit and unprofitable enterprises are forced out of the market by stronger competitors.

Depending on the value of such an assessment, adjustments should be made you in the standards of profitability when regulating prices, based on the principle of their economic equilibrium. Accordingly, clarifications are needed when determining the share of agriculture in the creation of gross and net income, as well as the share of the industry in the distribution of budget support funds. These clarifications will be very significant, given that, according to a preliminary assessment of land, its total price in agriculture is approximately twice the actual cost of the main production assets of agriculture.

The existing taxation system in agriculture as a segment of the economic mechanism does not ensure the performance of its functions to regulate and stimulate production. In modern conditions, it works mainly to replenish state revenues, and that is clearly unsatisfactory.

In general, the current real financial situation in the agricultural sector makes it necessary to develop fundamentally new, clear approaches to financial and credit policy in the sphere of state support, more consistent with the laws of the market, facilitating the restoration of the production potential of the agricultural sector.

An analysis of the development of the agricultural credit system in the transition period allows us to draw the following conclusion. The normal process of lending for the formation of

material working capital of agricultural enterprises and for investment purposes is currently disrupted and cannot be restored by itself, without active intervention of the state. At the same time, the experience of using various forms of lending to rural producers shows that the most successful results can be achieved with a combination of state support and state control using banking structures and mechanisms.

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