

**EFFICIENCY AND DIRECTIONS OF INVESTMENTS IN AGRICULTURE  
IN THE REPUBLIC OF UZBEKISTAN**

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**Abstract:** This article provides information about the effectiveness and directions of investments in agriculture in the Republic of Uzbekistan, the problems that may arise in the implementation of this, and their solutions, as well as ways of development.

**Key words:** agriculture, investment, efficiency of investments, free market, investment funds, investment policy.

Investments are made in any socio-economic formations. Because they are used to strengthen the state, industry, enterprises and, finally, the economic base of the population. It is an objective necessity to spend investments for the purpose of developing the agriculture of the Republic of Uzbekistan, where the free market economy is being formed step by step. Because in order to develop the network in a priority way, it is necessary to firmly build its material and technical base. For this, it is necessary to provide it with modern buildings and structures, all kinds of necessary equipment, agricultural machinery, internal irrigation and melioration facilities, serunum, quick-cooking varieties, purebred, productive animals, and other means of production.

In the current period, it is appropriate to spend investment funds on new, effective technology and on the establishment of intellectual property. Correct, effective solution to this problem objectively requires a certain amount of investment. Therefore, investment funds are used to build, develop and improve fixed and variable capital and intelligence in the network. It can be used for both long and short periods. If it is spent on the purchase, construction and capital repair of the main means of agriculture, then these expenses are intended for the long term. They are called fixed capital investments. At the same time, investments are also spent on agricultural machinery. They are considered short-term expenses. Therefore, as a result of investments, agricultural production tools will be built, and their workability will be fundamentally improved.

All funds spent on agricultural means of production are called investments. They strengthen the material and technical base of agriculture (enterprises), reduce costs as a result of mechanization, chemicalization, electrification, irrigation-melioration of production processes, increase the volume and quality of cultivated products, and

increase the amount of income (profit). This is the main purpose of making investments.

Taking this into account, a stable investment policy has been developed in the republic. It is implemented in the country on the basis of the laws "On Investment Activities", "On Foreign Investments" and other normative documents.[3]

Investments are divided into the following types according to their goals and objectives:

- capital investments;
- innovative investments;
- social investments.

Investments spent on the establishment of fixed assets and reproduction, as well as the development of all forms of material production, are called capital investments.

Investments in the creation and development of a new generation of techniques and technologies are innovation investments.

Funds spent on increasing human potential, skills and production experience, as well as on the development of other forms of intangible benefits, are called social investments.

They are divided into real and financial investments. Funds spent on materialized fixed and circulating assets constitute real investments.

Funds spent on the formation of securities (shares, bonds, promissory notes, certificates) are considered financial investments. Real investments can also be called capital investments. Capital investments are divided into gross and net capital investments. The total amount of real investments constitutes gross capital investments. Net capital investment is the part of real investment that is put into operation. Net capital investment may be equal to or less than the amount of gross capital investment. Special attention should be paid to the conversion of gross capital investment into net capital investment at the scale of agriculture, including enterprises. It is necessary to ensure that real investments are materialized, i.e. put into operation.

In the system of national accounts, funds spent on fixed capital and material means of production are considered as real investments.

However, the slow development of free market relations in the republic's agriculture does not ensure the expansion of the scope of financial investments at the level of demand. In particular, securities (shares, bonds, certificates, promissory notes, etc.) are not issued and sold in communities, companies, farms. should be issued and their implementation should be shown.

In the conditions of the market economy, special attention should be paid to the following when forming an investment policy:

- to select competitive projects based on tender. This ensures the establishment of a market for investment projects in agriculture;

- on the economic basis of investments intended for agriculture. It is necessary to determine the economic and social results, taking into account the characteristics of natural and economic factors of agriculture. Because, in most cases, the funds specified in the project are not enough to carry out the planned activities, as a result, the intended goal is not achieved. This situation leads to the long-term extension of investment projects;

- to attract foreign investors and their investments in agriculture. For this, it is necessary to develop personal and private ownership of all produced products in agriculture, etc.

Investments made taking into account all factors will build a solid material and technical base of agriculture. Agriculture is provided with modern machines, tractors, combines, buildings. A garden and vineyards will be built in it. Breeding, productive livestock animals are created.

They ensure the creation of new jobs. Increases the knowledge and skills of entrepreneurs working in agriculture. Forms market relations. As a result of their integration, the volume of products produced in the network will increase and their competitiveness will increase. This, in turn, ensures the satisfaction of the population, processing networks and, finally, the demand of the state. Increases the standard of living of citizens. All this shows that the economic and social importance of investments is great.

The importance of capital investments in national economy and agriculture is huge. First, capital investments are the main part of total costs. Changes in capital investment have a significant impact on aggregate demand, and also provide changes in employment and gross national income (GNI).

Secondly, capital investments lead to the accumulation, i.e. increase, of the company's fixed assets. In this case, the money spent on expanding the production forces may not affect the results of the enterprise's activity at the initial stage, but it will create the necessary basis for economic growth in the future.

Thirdly, the irrational spending of capital investments leads to an increase in production resources and costs, as a result of which GNP decreases. Examples include an increase in unfinished construction, an increase in material resources, an increase in wages paid, and a decrease in production. In the same way, the non-rhythmically delivered means are higher than the norm, which also affects the company's reserves. They affect the value growth and efficiency of the capital investments being spent.

The amount, dynamics and effectiveness of capital investments depend on the following factors:

- to the project where the capital investment is being implemented;
- to the economic change in the country and the enterprise's activity;
- the tax policy of the state and the interest rate of banks;

- the economic situation in foreign trade;
- the internal and external exchange rate of the national currency;
- stability in the country's political life.[1]

Investments (capital investments) ensure comprehensive development of agriculture. Because in exchange for them, the material and technical base of the network will be strengthened. As a result of their full and effective use, live labor costs are reduced, the volume of production increases, and the quality of products improves. This will ensure better satisfaction of the demand for agricultural products. At the same time, the amount of net profit will increase. As a result, there is an opportunity to develop agriculture based on expanded reproduction. The socio-economic status of the population will improve. These investments clearly indicate the existence of social and economic efficiency of capital investments.

Sustainable development of agriculture requires rational reproduction of the means of production available in the network. This process consists of acquisition, renovation, construction, innovative and social relations of means of production.

It is possible to categorize investments taking into account their purpose, tasks, sources and directions.

All investments (capital investments) are formed from the following two major sources:

- from the company's own funds;
- from foreign funds.

The company's own funds include:

- funds allocated from the net profit of the enterprise;
- funds in the depreciation fund;
- funds received from liquidation and sale of fixed assets;
- income from renting them;

Funds allocated from dividends received as a result of the sale of securities by agricultural enterprises and the purchase of others.[2]

**Conclusion:** The location of the population and its economic activity and personnel potential are considered to be one of the directions that attract the main attention in the organization and development of rural infrastructures in the future, and this is one of the specific features of the service activity, in which production and consumption processes occur at the same time, and on this basis, in the provision of services the qualification and potential of the personnel determine the quality level of the services provided.

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