

THE IMPORTANCE OF INVESTMENTS IN MANUFACTURING SECTORS

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Abstract. This study provides a comprehensive analysis of the importance of investment in manufacturing sectors. It highlights the role of investment in economic growth, job creation, technological innovation, and product competitiveness. The study also includes key mechanisms for attracting investment, factors affecting its effectiveness, and recommendations for improving the investment climate.

Keywords: Investment, manufacturing sectors, economic growth, innovation, competitiveness, investment climate.

ЗНАЧЕНИЕ ИНВЕСТИЦИЙ В ПРОИЗВОДСТВЕННЫХ СЕКТОРАХ

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Аннотация. В этом исследовании представлен комплексный анализ важности инвестиций в производственные секторы. В нем подчеркивается роль инвестиций в экономическом росте, создании рабочих мест, технологических инновациях и конкурентоспособности продукции. Исследование также включает ключевые механизмы привлечения инвестиций, факторы, влияющие на их эффективность, и рекомендации по улучшению инвестиционного климата.

Ключевые слова: инвестиции, производственные секторы, экономический рост, инновации, конкурентоспособность, инвестиционный климат.

Introduction. In today's globalization environment, the importance of manufacturing industries in ensuring the sustainable development and

competitiveness of any national economy is incomparable. These industries not only form the material and technical base of the country, but also play a decisive role in ensuring employment, increasing export potential and improving social welfare. Ensuring continuous growth in production, achieving rapid growth in product quality and volume is almost impossible without investments.

The purpose of this study is to deeply study the theoretical and practical significance of investments in manufacturing industries, assess their impact on economic growth, and develop scientifically based proposals and recommendations to improve the investment climate. This study is of great importance in the formation of investment policies aimed at increasing production potential and sustainable development of the national economy.

Research methodology. This study uses a comprehensive methodological approach to deeply study the significance of investments in manufacturing industries. It uses theoretical and statistical analysis methods to summarize the theoretical foundations of investments and analyze their impact on economic growth.

Analysis and results. This section provides a detailed analysis of the dynamics, structure and impact of investments in manufacturing sectors on economic indicators based on statistical data, tables and graphs. In accordance with the research methodology, the logical-comparative approach, statistical analysis and systematic approach methods were used in the analysis process, which allows for a deep understanding of the role of investments in the development of the sector

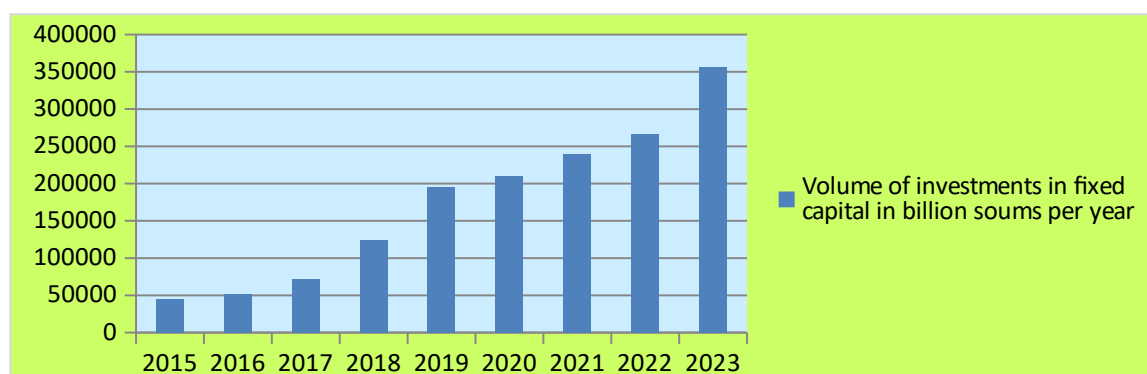


Figure 1. Analysis of the dynamics of investments in fixed capital (2015-2023)

The presented table reflects the dynamics of investments in fixed assets in Uzbekistan for the period from 2015 to 2023. These data demonstrate a stable and rapid growth trend in investment activity, which indicates the modernization and expansion of the country's economy.

As can be seen from the table, while in 2015 the volume of investments in fixed assets amounted to 44,810 billion soums, this indicator has been steadily increasing in recent years. In particular, significant growth rates have been observed since 2017. The volume of investments, which amounted to 72,155.2 billion soums in 2017, reached 124,231.3 billion soums in 2018, having almost doubled in a short period of time. It can be assumed that the economic reforms implemented during this period and measures aimed at improving the investment climate have borne fruit.

The growth rates have been maintained in subsequent years. In 2019, investments amounted to 195,927.3 billion soums, and in 2020, 210,195.1 billion soums. The fact that despite the pandemic conditions (in 2020), the volume of investments did not decrease, but continued to grow, indicates the resilience of the economy and the fact that the investment policy is in the right direction. In 2021, the volume of investments in fixed capital reached 239,552.6 billion soums, in 2022 - 266,240 billion soums, and finally, in 2023 - 356,071.4 billion soums. This growth is mainly due to the activation of public and private investments aimed at expanding production capacities, modernizing infrastructure, and introducing new technologies.

Table 1

Proposals for attracting investments to production sectors

№	Offer direction	Content of the offer	Expected result
1	Improving the investment climate	Expand tax incentives and preferences, strengthen legal guarantees for foreign investors, and reduce bureaucratic obstacles to doing business.	Increased foreign direct investment, increased attractiveness for local and foreign investors

2	Supporting innovation	Attracting public and private investments in scientific research and development (SRD), and encouraging the activities of technoparks and innovation centers	Increased production of high-tech and innovative products, increased competitiveness of industries
3	Capacity building	Improving the system of training qualified engineers, technologists, and workers for production sectors, introducing training and retraining courses for modern professions	Effective implementation of investment projects, increased production efficiency, and meeting the demand for a skilled workforce
4	Infrastructure development	Modernize and expand energy, transport and logistics infrastructure, and provide modern communications to production areas	Creation of favorable conditions for the placement of investment projects, reduction of costs, and increase in the efficiency of delivering products to the market
5	Development of financial markets	Expand access to long-term and affordable credit resources, and activate the activities of venture funds and other financial institutions	Improvement of mechanisms for financing investment projects, increased investment activity of small and medium-sized businesses
6	Strengthening public-private partnerships	Expanding mechanisms for cooperation between the public and private sectors in large infrastructure and manufacturing projects	Implement projects faster and more efficiently by reducing the burden on the state budget and attracting private capital and expertise

In general, the consistent growth in fixed capital investments during the analyzed period confirms the high attention paid to investment policy as a strategic priority of economic development in the country. This trend creates the basis for supporting economic growth rates and increasing the competitiveness of the national economy in the future.

An integrated approach is essential to stimulate investment in manufacturing sectors, and this process covers several key areas. First, it is necessary to increase the country's investment attractiveness by improving the investment climate. This will serve to attract foreign and domestic direct investment by strengthening tax incentives and legal guarantees and reducing bureaucratic barriers. Second, comprehensive support for innovation will increase the production of high-tech products and increase the competitiveness of industries by encouraging investments in technoparks and research. Third, it is very important to increase human resources for the effective implementation of investment projects; this includes improving the system of training qualified engineers and workers and training in modern professions. Fourth, infrastructure development - modernization of the energy, transport and logistics sectors - will reduce production costs and

increase investment attractiveness. Finally, expanding access to long-term and affordable credit resources through improving financial markets, as well as strengthening public-private partnerships, will significantly increase overall investment activity by attracting capital and expertise to large projects. This set of proposals will serve to ensure the sustainable development of production sectors.

Conclusion. Investments in manufacturing are the main drivers of economic growth, job creation, technological innovation, and product competitiveness. Research shows that by improving the investment climate, supporting innovation, increasing the capacity of qualified personnel, developing infrastructure, and improving financial markets, the effectiveness of investments in manufacturing can be significantly increased. In particular, strengthening public-private partnership mechanisms plays an important role in the implementation of large-scale projects. The steady growth of investment volumes and their increase in their share in production create a solid foundation for the future development of the sector. In general, pursuing a strategic investment policy is crucial for ensuring the sustainable and rapid development of the national economy.

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