

Attracting Investments to Modernize the Economy and Increase its Competitiveness

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Abstract: This article examines the promising areas of job creation in the context of modernization of the economy of the Republic of Uzbekistan and the essence of syndicated loans in financing investment projects, ways to manage them, as well as the features and functions of syndicated loans and recommendations in this regard.

Keywords: labor resources, jobs, small business, demographic process, entrepreneurship, investment, investor, syndicated credit, banks, function, project.

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Introduction

Any business can start its own business. needs investment to expand and renew. Investments are a key factor in organizing and developing the activities of enterprises of various forms of ownership, modernizing and restructuring the national economy, ensuring sustainable growth and competitiveness, and intensifying international integration. Investments are an integral part of the wealth created in the economy and are a source of entrepreneurial activity in order to earn a return as a result of the accumulation of excess income from consumption. However, due to the limited investment, the effective use increases their focus on ensuring profitability, quick payback, efficiency. Along with the development of the country's economy, the opportunities for creating an innovative environment are improving, creating modern conditions for investors of the republic.

The role of financial and economic evaluation in the selection of investment projects

The economic and financial evaluation of investment projects is very important in the process of selecting and justifying options for real assets. Even if all other aspects are positive, a project that does not meet the following conditions will not be accepted for implementation:

- Revenues from the sale of goods do not cover expenses;
- the investor financing the project does not achieve a return not lower than the average profit margin;
- expenses are not reimbursed within the period acceptable to the investor.
- Determining whether these conditions are realistic is the most important task of financial and economic evaluation of investment projects. Conducting such an assessment is quite difficult for a number of reasons. These reasons are:
 - First, investment costs can be incurred once or repeated several times over a long period of time;
 - secondly, the process of obtaining results from the implementation of investment projects can take a long time;
 - Third, the implementation of long-term operations leads to an increase in the level of uncertainty in the assessment of all aspects of investment projects, leading to various errors.

The presence of these factors necessitated the creation of special methods of project evaluation, with a minimum level of error, which would allow to make sufficiently reasonable decisions.

Method

Five main methods are widely used in the evaluation of investment projects. In turn, these methods can be divided into two groups:

1. Discounting methods:

- the method of determining the net present value;
- investment style;
- The method of determining the internal rate of return.

2. Methods that do not involve the use of the discounting concept:

- method of determining the payback period of investment projects;
- The method of determining the accounting return on investment.

Before considering these methods, it should be noted that each of the five methods is considered as a method of determining the absolute efficiency of the investment. That is, the condition is that the implementation of each investment project does not affect the firm's ability to invest in other projects.

The reason for the introduction of such a condition is that the implementation of most investment projects in practice reduces or eliminates the possibility of implementing other projects. Such investment projects are called conflicting projects. Mutually conflicting projects also include projects that envisage different ways for a firm to achieve a particular end goal.

The reason for the conflict of various projects is the limited resources of the enterprise. Firms select projects not only on the basis of absolute efficiency, but also on the basis of the losses they may see due to the inability to implement other projects due to lack of funding. In other words, the firm selects investment projects based on the criterion of relative efficiency.

Another condition that we need to consider before embarking on the study of methods for determining the effectiveness of investments is that in this process, all costs and revenues associated with the project are considered to be monetary.

Syndicated lending in Uzbekistan is regulated by the Regulation "On the procedure for syndicated lending of large investment projects by commercial banks", approved by the Board of the Central Bank of the Republic of Uzbekistan on July 16, 2005 and amended on November 6, 2010.

According to international experts, in order to develop syndicated lending in domestic banks, it is necessary to increase mutual trust between banks and improve the legal framework. It would also be expedient to designate national banks as syndicate members only and to organize foreign financial institutions with sufficient experience and wide financial opportunities as leaders in the organization of syndicated lending.

This type of lending allows banks to study each other, get information and analyze the loan portfolio, which is one of the indicators of financial stability of a partner bank. Thus, syndicated lending is one of the tools of banks to "study each other."

The growing role of international loans guaranteed by the government requires drastic measures to further improve the state regulation of the attraction and use of syndicated loans. With the widespread involvement of syndicated loans in new projects, the rapid development of industry can be achieved through the introduction of environmentally friendly and advanced technologies, the latest machinery and equipment, the rational organization of labor. Attracting them, in our view, attracts syndicated loans and from them. should be carried out in accordance with long-term targeted programs for use. At the same time, it is necessary to take into account measures related to the definition of the rights and obligations of participants in priority sectors, knowledge-intensive and capital-intensive sectors and the development of syndicated loans.

In the economic literature, the category of "modernization of the economy" is analyzed in close connection with such concepts as "innovation", "diversification", "sustainable economic growth", "transition economy". In the formation of market relations in countries with economies in transition, theories of modernization are almost never used, and in most cases the concepts of

"reform" and "transition (transit) economy" are used. In the process of economic reforms, it became clear that market institutions alone could not ensure effective economic development, and the concepts of "modernization", "structural change", "national competitiveness" were introduced into the economic cycle. At the same time, modernization began to be accepted as a national program in most countries.

The mechanism of economic modernization has been studied in the category of "modernization of the economy" in conjunction with a number of concepts such as "industrialization", "innovation", "liberalization of the economy", "diversification of the economy", "human capital", "national wealth". As a result, the interrelationship between these concepts reveals more fully the description of the category of modernization of the economy and helps to determine the economic laws of modernization of the economy.

Conclusion

Summarizing the features of the modernization of the economy in world practice, we can group them as follows:

First, the modernization of the economy is based on a certain national model, based on the geopolitical and strategic goals of the country.

Second, the modernization phase of the economy will take place over a period of time. The implementation period of the project on modernization of the economy lasts from 10 to 30 years, and the experience of modernization in the developed countries of the world in the second half and the last quarter of the twentieth century is noteworthy.

Third, the policy of modernization of the economy has its own driving forces (investment and labor). The share of investments in the national economy in GDP, the investment rate in the range of 25-35% will ensure the rapid implementation of structural changes and modernization of the economy.

Fourth, in the modernization of the economy, macroeconomic indicators will have a stable growth rate.

In order to achieve sustainable economic growth, the effective implementation of the concept of modernization of the economy is approached in one of two ways:

- 1. Stable growth rates in the national economy will be achieved by improving the institutional framework for modernization.*
- 2. Growth rates in the national economy will develop the institutional infrastructure that will serve to modernize.*

In summary, in 2017-2021, the total cost of 40 billion soums in Uzbekistan. Over the next 5 years, industrial production will increase 1.5 times, its share in GDP will increase from 33.5% to 36%, and its share in the processing industry will increase from 80% to 85%.

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