Features of Construction Investments in Uzbekistan

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Abstract: this article shows the specific characteristics of investments in the field of construction in Uzbekistan and the main directions of their attraction in the future. Along with this, a theoretical model was developed to determine the optimal amount of investments that should be involved in the construction industry.

Keywords: structural transformations, reproductive structure of capital investments, investment environment, integration, investment program, product exports, capital productivity.

Introduction. The main goal of state investment policy is to increase the country's investment potential and ensure its effective use based on increasing the interest of business entities, improving the structure of funding sources and choosing an investment object.

The state investment policy of Uzbekistan during the years of reform was aimed at deep structural transformations of the economy, changing the sectoral, reproductive and territorial structure of capital investments, creating market institutional and infrastructural links.

Of course, when forming an investment policy, it is necessary to take into account the characteristics and level of development of production forces and production relations, the primary tasks of society and the real economic capabilities of the state. Achieving an optimal solution to these issues, in turn, requires improving the system of organizational and economic mechanisms and methods for determining the effectiveness of attracted investments.

Literature review. Our country has created a certain regulatory framework in terms of attracting investments, creating an investment environment, and increasing the efficiency of attracted investments. At the same time, a number of domestic and foreign economists are conducting scientific research on improving the investment environment and mechanisms for the effective use of investments. These include the following economists: V. Behrens, P. M. Havranek, N. S. Verigina, Lorenz J. Gitman, Michael D. Jonk, V. M. Anshina, N. V. Lagoshina, V. T.. Baikhanova, V.V.Kovalev.

The above-mentioned scientists studied the basics of organizing investment processes and ensuring their effectiveness. Today, the deepening process of global integration in the world creates the need for new approaches to the above issues, and this, in turn, requires the organization of scientific research on this basis.

Research methodology. During the research process, methods of scientific abstraction, analysis and synthesis, induction and deduction were used.

Analysis and results. The transition to market relations predetermines the need for structural restructuring of the economy, strengthening the role of economic management methods, increasing the role of territories and regions in solving problems of economic development, including issues of enhancing investment activity.

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State investment policy in Uzbekistan during the years of reform was aimed at deep structural transformations of the economy, changing the sectoral and reproductive structure of capital investments. For this purpose, State Investment Programs were developed and adopted for management. As a result of their implementation, since the late 90s, the process of stabilizing the pace of economic development and constantly restoring its pre-reform level began.

The investment policy carried out during these years made it possible to determine the socio-economic and strategic goals of the country, to outline the role and place of Uzbekistan in the international economic community.

However, the bulk of investments directed to the real sector of the economy is concentrated in the industrial sector. Significantly less is invested in construction, agriculture, transport, and the social sphere.

Based on these circumstances, the main goal of the current investment policy at the stage of deepening economic reforms is the formation of an effective system of state regulation and support of investment processes aimed at improving reproductive processes, strengthening the material and technical base of the country, and increasing its economic power.

In accordance with this goal, the main objectives of state investment policy can be formulated as follows:

➢ creating favorable conditions for enhancing investment activity;

➢ pursuing a targeted policy to deepen structural reforms;

➢ full support of priority industries in order to ensure the competitiveness of domestic products on the world market and increase the country's export potential;

➢ implementation of state financing of investment projects on a competitive basis;

➢ pursuing an "open door" policy to attract foreign investment;

➢ development of industrial and social infrastructure;

➢ development of the market for construction materials and contract work.

The economic reforms carried out in Uzbekistan reveal the problem of improving existing methodological approaches to increasing the efficiency and activity of long-term investments. Currently, favorable investment conditions have been created in the republic. Based on this, both domestic and foreign investments are attracted to various sectors of the economy. However, the unevenness of investment volumes in these industries indicates that the approaches implemented in these areas do not yet fully meet modern requirements. It is especially necessary to radically improve investment processes in the construction sector. Analysis of the post-privatization period shows that the fixed assets available in many construction organizations have long expired and are in unusable condition. This situation requires special attention for the development of construction organizations. The main factor for the development of construction organizations is their financial support. It is mainly carried out from three sources: from one's own income; due to income from privatization; by attracting investment.

Attracting investment in the construction industry is carried out in two directions:

1. Attracting investments for the development of construction organizations.

2.   Investment in construction of facilities.

Of the above areas, investments are mainly attracted in the second direction. The volume of investments in the development of construction organizations is insignificant. Foreign investment has not yet been attracted in this direction. From this we can conclude that entrepreneurial activity in the field of construction is not satisfactory. Therefore, an urgent requirement of the modern period is the development of entrepreneurship in the construction industry.

These circumstances, the implementation of investment processes cannot ensure the comprehensive development of the territory, however, when implementing investment processes, carrying out calculation work at the same time taking into account the above indicators is a very difficult and complex task.

This problem can be solved in an optimal form only with the help of economic and mathematical methods and models

Based on the above, we will consider an economic and mathematical model for determining the optimal directions and volume of investments in construction.

To form a mathematical model of the problem, we introduce the following symbols

X_{ij} - the required volume of construction investment in i-direction in

j-period (year or quarter) (in thousands of soums);

K_j - the volume of total construction investment that can be

would be to attract in the j - period (in thousands of soums);

B_i - construction priority factor

investments in the period under review (determined by expert assessment);

n - number of directions of construction projects;

P_{ij} - return on assets (in the minds);

Π_{ij} - value of products produced as a result of construction investment in i-direction of j-period (quarter, year) (in thousand soums);

N^H_{ij} - standard number of jobs corresponding to a unit of measurement of construction investment in the i-direction of the j-period (workplace);

N^P_{ij} - the estimated number of jobs corresponding to the volume of construction investment in the i-direction of the j-period (workplace);

B_{ij} - average investment vehicle corresponding to the creation of one job in the i-direction of the j-period (quarter, year) (in thousand soums);

V^H_{ij} - marginal volume of production of additional products as a result of investment in the i-direction of the j-period (quarter, year) (in thousand soums);

$Q^Э_{ij}$-1- ability to export products of i-direction j'-1 period (quarter, year) (in%);

$Q^Э_{ij}$ - ability to export products of i-direction j' period (quarter, year) (in%);

$V^Э_{ij}$ -1- volume of exports of products of i-direction j'-1 period (quarter, year) (in thousand soums);

$V^Э_{ij}$ - volume of exports of products of i-direction j' period (quarter, year) (in thousand soums);

V_{ij} -1- volume of exports of products of i-direction j'-1 period (quarter, year) (in thousand soums);

V_{ij} - volume of exports of products of i-direction j' period (quarter, year) (in thousand soums).

Economics - the mathematical model has the following form:

Objective function

$$\sum_{j=1}^{m} Xij \to \max \quad \left(i = \overline{1,n}; j = \overline{1,m}\right) \textbf{(1)} \quad Xi_j = \frac{K_j}{n} B_i, \quad \left(i = \overline{1,n}; j = \overline{1,m}\right)$$

The following restrictions are required

$$P_{ij} = \max\left[\frac{n_{ij}}{x_{ij}}\right] \tag{2}$$

$$N_{pij} \geq N_{ij}^{H}, N_{ij}^{p} = \frac{\frac{K_i}{n} B_i}{B_{ij}}, \quad (i = \overline{1,b}; j = \overline{1,m}) \tag{3}$$

$$V_{ij}^{p} \geq V_{ij}^{H}, V_{ij}^{p} = \frac{\frac{K_i}{n} B_i}{\Pi_{ij}}, \quad (i = \overline{1,b}; j = \overline{1,m}) \tag{4}$$

$$Q_{ij-1}^{\ni} \prec Q_{ij}^{\ni} \begin{cases} Q_{ij-1}^{\ni} = \dfrac{V_{ij-1}^{\ni}}{V_{ij-1}} \\ \dfrac{V_{ij}^{\ni}}{V_{ij}} \\ Q_{ij}^{\ni} = \dfrac{V_{ij}^{\ni}}{V_{ij}} \cdot 100, \end{cases}, \quad (i = \overline{1,b}; j = \overline{1,m}) \tag{5}$$

The goal function of the model (1) requires that the volume of investment be maximum in the construction area with high priority in the j-period. The system of inequalities (2,3,4,5) are constraints that implement the objective function.

Their economic content is as follows:

If equality (2) sets the condition for maximum capital productivity, then inequality (3) requires that the number of jobs created in accordance with the volume of construction investment be greater than or equal to standard indicators. Inequality (4) requires that the estimated volume of additional output produced as a result of a construction investment be greater than or equal to the standard indicators. Inequality (5) requires that the export capabilities of enterprises in the j-period be greater than the previous period.

Conclusion and suggestions. The proposed economic and mathematical model allows us to optimally determine the volume of investment in construction projects in the development of entrepreneurial activity in construction. To determine the optimal amount of investment in the development of the construction industry using the presented model, it is necessary to develop some standard indicators. This issue is the subject of the following studies.

Thus, the second direction of investment in the construction industry can find its solution using the proposed economic and mathematical model.

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