

WAYS TO USE THE SUBSTITUTE ECONOMY AND GROWTH MODEL IN THE INVESTMENT ACTIVITY OF ENTERPRISES

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Abstract. *In recent years, the Republic has been developing a real market economy based on healthy competition as a result of active investment policies, foreign trade and liberalization of foreign exchange operations. The development of the industry, which is considered an important branch of the economy, at the level of international standards, increasing the competitiveness of products in the world market and expanding its range, is one of the pressing problems of today.*

Keywords: *industry, national economy, competitiveness, export, import, diversification, industrial policy.*

ПУТИ ИСПОЛЬЗОВАНИЯ ЗАМЕЩАЮЩЕЙ ЭКОНОМИКИ И МОДЕЛИ РОСТА В ИНВЕСТИЦИОННОЙ ДЕЯТЕЛЬНОСТИ ПРЕДПРИЯТИЙ

Аннотация. *В последние годы в республике развивается реальная рыночная экономика, основанная на здоровой конкуренции в результате активной инвестиционной политики, внешней торговли и либерализации валютных операций. Развитие промышленности, считающейся важной отраслью экономики, на уровне международных стандартов, повышающее конкурентоспособность продукции на мировом рынке и расширяющее ее ассортимент, является одной из актуальных задач современности.*

Ключевые слова: *промышленность, национальная экономика, конкурентоспособность, экспорт, импорт, диверсификация, промышленная политика.*

The crisis processes taking place in the world economy also have a huge negative impact on direct industrial production. The meeting, which was held by the head of our country, devoted to the discussion of current issues on ensuring the stability of the national economy, discussed the issues of industrial development, first of all, it was noted that a holistic chain of deep processing of raw materials and production of value-added products was not created in some sectors[1]. From the above, the processes of reforming the sectors and sectors of the economy in our country today are required to be refined based on the situation in which the world is composed.

The address of the head of our country to the Supreme Assembly also touched on this issue, and for the first time it was officially announced that the number of people living in poverty in our country is 12-15% compared to the total population

of the country[2]. Taking into account these conditions, it can be noted that in the current conditions, the combination of types of economic growth based on the organization of import replacement productions, taking into account the peculiarities of the sectors of the national economy, is a priority in relation to Uzbekistan's achievement of sustainable economic growth.

Ensuring the development of the industrial sector as the basis of the well-established industrial policy in our country, as well as economic growth based on the organization of import substitution Productions, provides for the development of all kinds of entrepreneurship in the industrial sector. It is known that it was the development of this area that gave many countries the basis for ensuring economic growth based on the organization of import replacement productions during the transitional period of economic development.

According to the Ministry of Economic Development and poverty reduction of the Republic of Uzbekistan, the report "competitive industrial productivity index – 2022" for 2020 was published by the United Nations Industrial Development Organization [3]. The report ranked Uzbekistan 89th among 154 countries with a score of 0.017. The fact that the country has risen to 5 points makes it possible to move to the category of countries with the middle quintile of industrial development. Based on the index methodology, the results of the report "competitive industrial productivity index – 2022" are formulated based on statistics from 2020. Uzbekistan has recorded positive changes in 6 of 8 indicators, while falling in 2 indicators.

Uzbekistan has increased by 1.5 times in its 3-year industrial output from 235.3 trillion soums in 2018 to 368.7 trillion soums in 2020. The largest share in the production structure (82.0 percent) corresponds to production enterprises, and the volume of production is 305.9 trillion som.

Also, among the CIS countries, Uzbekistan ranked 4th after Russia, Belarus, Kazakhstan. The top 5 of the world rankings are Germany (0.416), China (0.369), Ireland (0.347), Japan (0.325) and Republic of Korea (0.324).

The region cross-section saw the highest growth rate in 2022 for fixed capital investment in the region of Syrdarya, increasing by 137.6% compared to 2021. This result can be explained by the development of investments in large projects, such as the construction of a new power plant with a capacity of 1500 MW and a gas Riston power plant with a capacity of 220 MW. There was also a high growth rate in Samarkand region at 129.5% compared to 2021.

The highest in terms of the share of new construction investments was observed in the Syrdarya region as a result of investments in the construction projects of a new power plant with a capacity of 1,500 MW, as well as a gas-porcelain power plant with a capacity of 220 MW, which amounted to 75.2%. For the creditor, syndicated lending is the most convenient and fast way of large-scale financing, while for creditors, union mergers into syndicates, in addition to reducing credit risks, open the possibility of one potential creditor working in partnership with

other creditor's tested clients. In addition, syndicated lending increases small creditors several times their chances of financing large-scale projects.

In our opinion, a special institute should be formed that evaluates and funds investment projects that are included in the targeted list of the state investment program, their high value added to the production of innovative products and fully meet the criteria for socio-economic efficiency of projects. Today, in the widespread introduction of non-traditional types of financing of investment projects into our national economy, it is assumed to apply methods that embody Islamic financing mechanisms.

The Ministry of investment, together with the heads of the established state and economic management bodies, central bank and commercial banks, the Council of Ministers of Karakalpakstan, regions and Tashkent City municipalities, pays special attention to the fact that the share of medium-high and high-tech products in the processing industry is at least 30 percent in the formation of state investment programs and

Considering the methodological foundations of economic growth based on the organization of import substitution productions in the implementation of industrial policies in our country, we can note the following:

First of all, the consideration of the methodological content of import substitution and the determination of its forms on this basis makes it possible to determine its optimal directions for the country at the current stage of economic reform.

Secondly, at the current stage of the development of the economy of the Republic of Uzbekistan, partial import substitution is considered acceptable in terms of the degree of compensation for the volume of imports, while in terms of the use of production resources - first-class import substitution is appropriate. This is explained by the stagnation observed earlier at the beginning of economic reforms and the spiritual and physical obsolescence of production techniques and technologies. In such conditions, it would not be logical to talk about the replacement of secondary imports. In the conditions of the Republic of Uzbekistan, it is desirable that the promotion of import substitution economic growth is due to the intensive development of Agriculture, and the extensive development of industry.

Thirdly, an integrated approach to import substitution allows the stimulation of the reproduction function, which determines the volume and proportions of extended reproduction.

Fourth, the use of policies to reduce import dependence means an increase in the standard of living of the population. In general, the complexity of import substitution is usually characterized by its own social orientation, which provides for the achievement of economic growth of a new quality, which, in turn, assumes

that economic growth is inextricably linked in the living well-being of the population and that these two processes are coordinated among themselves.

The development of the countries of the world community shows that despite its abstraction, these models gave significant results and showed their effectiveness, taking into account the peculiarities of the socio-economic situation. The development of a market economy in the countries of the world community clearly demonstrates real models of economic development, which are characterized by various methods of stimulating socio-economic development.

The study of advanced foreign experience in financing investment activities is important in the further development of national practice in this regard. The American model of development is characterized by a low share of state property and a negligence in the level of state regulation, the support of entrepreneurship by all methods and means (about 80% of new jobs are created by small businesses), the presence of a sharp differentiation between the rich and poor segments of the population, the fact that the

The Japanese model of development is socially oriented, providing a high level of state intervention in the main sectors of the national economy, the creation of economic development plans and a slight difference in the level of wages.

Germany's model of economic development is also characterized by its social orientation and is characterized by a high impact of the state on the economy, forecasting basic macroeconomic indicators, small differences in the level of wages, etc.

The Swedish model is a somewhat successful socially oriented model of economic development, characterized by the reduction of property inequality through the distribution of national income, concern about the layers of the low-income population, ensuring active state intervention in the process of price formation (establishment of Strictly fixed prices) and a high share of the public sector in the national economy. In addition, the French model of economic development is of particular interest, it is characterized by a highly regulatory role of the state (five-year development plans are drawn up), large-scale state entrepreneurship and active state intervention in the process of capital accumulation.

From the point of view of the successful model, the South Korean model of economic development is of the greatest interest. South Korea's development model makes extensive use of socio-economic development planning, has universal control over the credit-finance sector, and the state regulates the foreign economic sector by encouraging exports and restricting imports.

Nevertheless, the history of the development of world economy shows that the implementation of the policy of promoting import substitution can also give its positive and negative results. For example, in the middle of the 20th century, we can cite as a clear example the processes of using state policies to replace imports in Latin America.

The considered models of the development of different countries indicate that they may have different priorities, which, in our opinion, implies the achievement of certain goals, depending on the level of socio-economic development.

Of particular interest among the models of socio-economic development for the current stage of economic development in our country are models that, together with reducing the level of dependence on imports, provide for the development of domestic production. In other words, under the current conditions, a model of import substitution development is necessary in our country.

The main goal of the programs for organizing and localization of import substitutes carried out in our country is to establish the production of competitive modern products intended for export and replacing imports in the Republic of Uzbekistan, to stimulate the production of domestic products that meet the requirements of the domestic and foreign markets on the basis of local raw materials and mineral Resources. At the same time, within the framework of the program, it is envisaged to widely establish and further strengthen the industrial cooperation between the domestic sector and inter-sectoral, including small businesses and large enterprises of the Republic [6].

Conclusions and recommendations. Taking into account the socio-economic situation of the Republic of Uzbekistan and the analysis of its specifics, we will try to present a model of economic growth as a replacement for imports. The system and complexity of our proposed model of Import substitution economic growth is that we can achieve a positive result only under the circumstances of the simultaneous application of each recorded measure:

First of all, when the independence of the state was gained and began to implement market reforms, a policy of restructuring monetary policy began to be implemented in our country, and this process continues to this day. Therefore, we propose to soften the mechanisms of monetary policy in order to encourage industrial policies based on the organization of import replacement Productions. Bank loans provided for manufacturing enterprises, by their nature, serve as an indirect factor in promoting import substitution Productions.

Secondly, measures of selective protectionism within acceptable limits provide an opportunity to support and encourage the production of certain goods at the local level, where there is a possibility of production in our country. In our opinion, the food industry, the pharmaceutical industry, needs state support more than ever. Therefore, the implementation of selective protectionist measures serves to turn the current situation in a positive way.

Thirdly, the use of selective protectionism measures in practice and the resulting results are considered more effective when import quotas are applied to products for which these measures are being applied. To do this, it is necessary to determine the volume of domestic demand for these goods, the share of domestic production in meeting this demand, and compensate for the missing part at the

expense of the reasonable volume of imports . The establishment of import quotas for products that are planned to replace imports, together with the measures proposed by US, allows us to support domestic producers, strengthen their position in domestic markets and bring them to foreign markets in the future.

Fourth, it is necessary to take the necessary measures to restore property as a result of market changes associated with nationalization and privatization in order to revive the productive activities of existing enterprises that have ceased their activities or are not functioning in the prescribed manner. These measures include the process of modernization of production.

Fifth, the fiscal incentive of import substitution enterprises (industries) in the form of exemption from Value-Added Tax (VAT) serves to strengthen the competitive positions of enterprises engaged in the production of import substitution products in relation to foreign enterprises. By gaining competitive advantages in price competition, these enterprises will have a number of incentives to expand the scale of production. It should be noted that these financial mechanisms of promoting import substitution production are characterized by having a short-and medium-term description, rather than a long-term one.

Sixth, the use of an adequate customs tariff set based on the level of the raw material processing stage promotes deep processing of raw materials and the creation of high value-added products. We consider it necessary to use tariff rates for both exports and imports in this direction. The essence of this measure is that when exporting raw materials, it is necessary to reduce customs tariffs as the application and processing of high customs tariffs deepens.

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