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ANALYSIS OF THE EFFICIENCY OF INVESTMENT IN ENGINEERING AND METALWORKING

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Abstract: In this article, in addition to labor efficiency, material and technical and local raw material resources, the effective use of investment is directly related to the direction of investment, its proper organization of intersect oral economic distribution. the analysis of the efficiency of the capital received is discussed. In some cases, it is justified and practical recommendations are made to limit the ability of the production process to operate at full capacity due to the unprofitability of excess funds or failure to determine the level of risk and risk involved in investing.

Keywords: securities investment, financing of investment projects, investment attraction, depreciation funds, mutual funds, investment attractiveness, investment climate, share of machinery, automation and mechanization.

Entrance

Development of the machine-building and metal-working industry, investment in securities of enterprises in its system, financing of investment projects in the industry and promotion of innovative developments, construction and expansion of new production facilities, reconstruction and modernization of the industry, technical and technological renewal requires active involvement of investments, in particular foreign investments, and in this process it is necessary to pay special attention to the following 2 problems:

`First, the problem of attracting investment in the engineering sector. If the investments are made at the expense of self-financing of enterprises, then special attention should be paid to the distribution of retained earnings, depreciation funds and share funds.If the investment is made through foreign investment, it will increase the "investment attractiveness of the machinery and metalworking industry", further improve the investment climate and climate in the country, and improve the country's investment policy.

Second, the problem of efficient use of investments in the machine-building and metal-working industries. This requires adequate attention to the following issues:

- Ensuring full operation of technologies introduced in the field of mechanical engineering and metalworking;
- Attracting highly qualified personnel to the network and constantly improving their skills;
- In order to increase the return on production, which corresponds to an investment of 1 soum in fixed assets, to provide a relative advantage and benefits in investing in high-tech industries with high return on investment in the industry;

- Reducing the construction period of new facilities in the industry at the expense of foreign investment and not delaying the development of investment projects in this area.

In addition to labor efficiency, material and technical resources and the efficient use of local raw materials, the effective use of investment is directly related to the direction of investment and the proper organization of its intersectoral economic distribution. At present, investments are made based on the return on investment. In some cases, this results in limited capacity to run the production process at full capacity as a result of unprofitable surplus capital or underestimation of the level of risk involved in the investment.

Overcoming such a problem, of course, requires an in-depth study of the processes of investing and their use, an econometric analysis affecting it, the identification of the network distribution and the correct direction of investments (justification that investment in a particular network can generate more revenue than in other networks), as well as the improvement of investment policies.

Main part

According to the analysis, in 2015, the share of machinery in the structure of the main capital investments in economic sectors compared to the total was 3 % (993,4 billionsoums), 1.9 percent in 2016 (1023.0 billionsoums) and 2.4 % (1321.4 billionsoums) in 2017, , the share of the machine-building and metal processing network in the structure of foreign investments in economic sectors amounted to 1.2 % in 2015, 1.4 % in 2016 and 1.7 % in 2020.

The main capital investment and foreign investment and the share of the machine building and metal processing network in the structure of credits in industrial sectors expressed the following trend in relation to the aggregate **(**Figure 2.6**).**

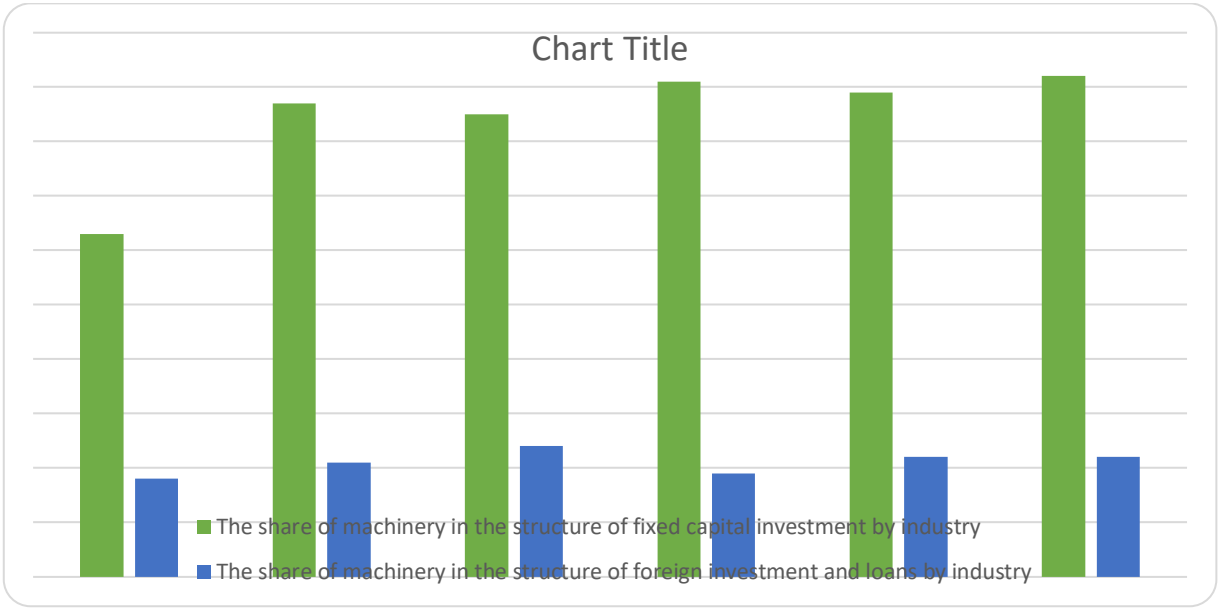


Figure 2.6.The share of the machine-building and metal-working industries in the structure of fixed capital investments and foreign investments and loans by industry (as a percentage of total)[1]

In 2015, the share of machinery and equipment in the technological structure of fixed capital investment was 36.5%, in 2016 it was 32.0% and in 2017 it was 34.3%.

The investment policy is aimed not only at increasing the volume of capital investment, but also at improving the structure of their reproduction, directing investment to industries that produce more efficient and competitive products. Such important tasks are reflected in the annual Public Investment Program implemented by the Cabinet of Ministers of the Republic of Uzbekistan.

[1]Data of the State Statistics Committee of the Republic of Uzbekistan

In addition, it is based on the priorities of the sector, options that can be integrated into international markets through the restructuring and modernization of the economy, which depends on the country's resource potential. The Investment Program of the Republic of Uzbekistan is a document approved by the Government, which is developed for one year and provides tax and other benefits to participants in investment projects.
Investment, favorable macroeconomic environment and competitiveness in foreign markets, as well as the implementation of various measures and programs to further improve the investment climate in the country, modernize production, create new jobs in regions of the country with surplus labor - directly foreign private A wide range of measures to attract investment.

Investing in the engineering and metalworking industries requires, first of all, to take into account the specifics of the industry and its objectives, including the main objectives of the engineering industry, which are reflected in:

a. Providing all sectors of the national economy with high-efficiency machinery and equipment;
b. Rapid improvement of product quality and competitiveness in foreign markets, its technical level, and thus achieve the world's advanced scientific and technical level;
c. Rapid transition to the production of a new generation of machinery and equipment, ensuring the resumption of labor productivity, the introduction of promising, primarily energy and resource-saving technologies;
d. Increase the level of automation and mechanization at all stages of production, from mass production to the finished product;
e. Expansion and deep specialization of production cooperatives;
f. Development of assembly and mechanical assembly plants, specialization of plants for the production of branch and inter-branch semi-finished products, units and parts;
g. Acceleration of the renewal of fixed assets and increase the efficiency of the use of existing production facilities.

Technological and reproductive structure of capital investments in the industry. In 2020, the share of machinery, equipment and inventory in total capital investment was 34.3%. Currently, special attention is paid to the replacement of obsolete machinery and equipment in Navoi region (the share of investments in machinery and equipment is 50.8%), Tashkent region (48.8) and Tashkent (55.9).

New production facilities. In 2020, 6,123 new production facilities with 124.4 thousand jobs were launched. In particular, 214 projects were implemented in the machine-building and electrical engineering industries. In addition, under the Public Investment Program, a total of 9.2 billion soums will be allocated. 184 large investment projects worth USD 1 billion have been implemented.

Enforcement of enameled copper wires for the automobile industry in the Navoi Free Economic Zone-Industrial Zone “Development of production of new types of cable products at Navoi Cable Connector LLC”, “Development of production of monitors for computer equipment at Trust electronics LLC”, wide range of modern electrical products at Royson Electronics JV "Production of telecommunications equipment" in the Jizzakh special industrial zone and etc.

The share of machinery and equipment in the technological structure of fixed capital investment by region is as follows (Table 2.5).

Table 2.5. The share of machinery and equipment in the technological structure of fixed capital investment by region, (in percent)[2]

Regions	2018	2019	2020
Republic of Karakalpakstan	36,6	44	25,6
Andijon	39,7	45,6	50
Bukhara	22,5	42,8	37,4
Jizzax	37,9	61,9	78,8
Kashkadarya	40,9	56,2	47,8
Navoi	44,5	45,2	55,9
Namangan	48,1	60,9	28,6
Samarkand	39,5	51,9	59,6
Surxondaryo	37,3	26,2	32,9
Sirdaryo	42,2	61	57,6
Tashkent	55,3	50	46,1
Fargona	43,9	55,4	50,5
Khorezm	28,6	42,3	40
Tashkent	52,4	57,5	53,2

The table shows that the share of machinery and equipment in the technological structure of fixed capital investment by region in 2018 in Tashkent (52.4), the Republic of Karakalpakstan (36.6) and Tashkent regions (55.3), in 2019 the city of Tashkent (57.5).), Tashkent region (50) and Navoi region (45.2) and in 2020, Tashkent city (53.2), Navoi (55.9) and Tashkent (46.1) regions.

It should be noted that in order to assess the effectiveness of investments in the engineering sector in the regions, it is necessary to answer two most important questions. These are:

1. *What is the return on investment in fixed assets for 1 sum of investments (from all sources of financing of fixed capital investments)?*
2. *How many jobs have been created in the engineering sector due to the investment?*

Thus, for the effective use of foreign investment, the effective use of each soum investment, the optimal distribution and direction of investment funds in the field of machinery, the correct choice of form of investment, including scope and type of product, project size (small, medium and large) and It is necessary to pay special attention to the project duration (short, medium and long) and to make accurate calculations.

In the field of mechanical engineering and metalworking, structural changes in the industry and the development of its priority sectors are directly related to the amount of capital investment in this industry. Therefore, it is necessary to increase the attraction of domestic and foreign investment in the production of machinery and the effective use of investments, the following indicators show the effectiveness of investments in the machinery industry:

- the volume of products produced in the machine-building industry, which corresponds to an investment of 1 soum in the industry;
- annual growth rate of investments in the engineering sector;
- the share of investments in the engineering sector in the total volume of investments in industry;
- the number of jobs created due to investments in the engineering sector.

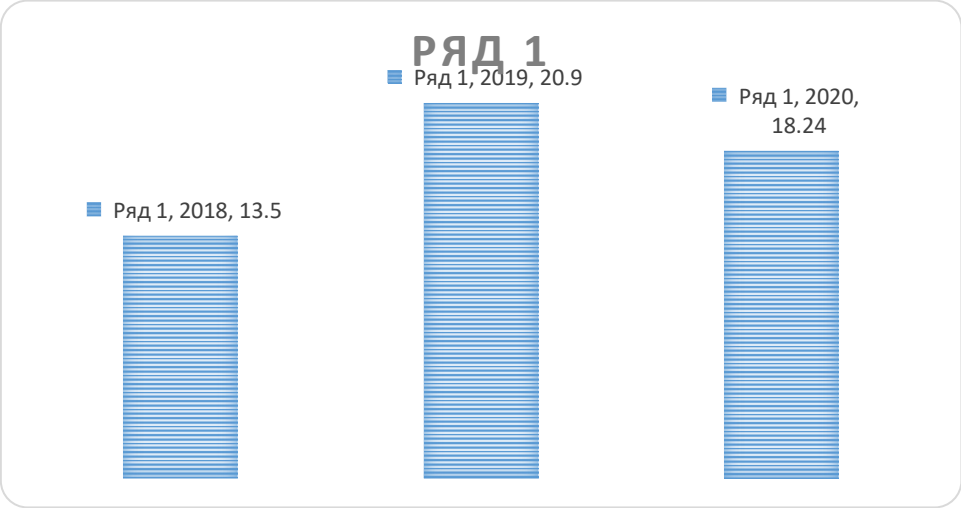
According to the analysis, the volume of output per 1 soum investment in fixed assets in the engineering sector in 2018 amounted to 13.5 soums, in 2019 - 20.9 soums, and in 2020 - 13.24 soums (Figure 2.7.).

[2]Data of the State Statistics Committee of the Republic of Uzbekistan

According to economic analysis, the return on output per 1 soum investment in fixed assets in the engineering sector in 2020 decreased by 8.66 soums compared to the previous year. Production in the automotive industry has also declined 2.8 times over the past three years. This has a significant impact not only on the growth rate of industrial production, but also on the growth of GDP in our country. The level of localization in this sector is less than 20% of imports, while the volume of imports in the enterprises of the machine-building system is ten times higher than the volume of exports[3].

First of all, it is necessary to increase the efficiency of investment in the network.

Figure 2.7. Return on output (UZS / UZS) corresponding to an investment of 1 soum in fixed assets in the field of mechanical engineering and metalworking[4]



To do this, it is advisable to pay special attention to the following areas:

- to ensure that the technologies included in the fixed capital of the machine-building industry work at full capacity;
- attracting highly qualified personnel to the industry and constantly improving their skills;
- In order to increase the return on investment, which corresponds to an investment of 1 soum in fixed capital, to provide relative advantages and benefits in investing in high-tech industries with high return on investment in the industry;
- to reduce the construction period of new facilities in the sector at the expense of foreign investment and not to delay the development of investment projects in this area.

The report of the President of the Republic of Uzbekistan Shavkat Mirziyoyev on the main results of socio-economic development of the country in 2016 and the most important priorities of the economic program for 2017 in the enlarged meeting of the Cabinet of Ministers and has a negative impact on the efficiency of its investment processes. These are as follows[5]:

- ✓ Production in the automotive industry has declined 2.8 times over the past three years. This has a significant impact not only on the growth rate of industrial production, but also on the growth of the country's GDP. Imports in this sector are several times higher than exports, and the level of localization is less than 20% of imports;

[3]"Critical analysis, strict discipline - discipline and personal responsibility - should be a daily rule of every leader." Report of the President of the Republic of Uzbekistan Shavkat Mirziyoyev at the enlarged meeting of the Cabinet of Ministers on the main results of socio-economic development of the country in 2016 and the most important priorities of the economic program for 2017. 16.01.2017.

[4]Authors' findings

[5]"Critical analysis, strict discipline - discipline and personal responsibility - should be a daily rule of every leader." Report of the President of the Republic of Uzbekistan Shavkat Mirziyoyev at the enlarged meeting of the Cabinet of Ministers on the main results of socio-economic development of the country in 2016 and the most important priorities of the economic program for 2017. 16.01.2017.

- ✓ The complete overhaul of the entire agricultural machinery system has not been ensured. By its very nature, this system was to be not only a solid foundation for the mechanization of agriculture and the facilitation of farm labor, but also a guaranteed source for replenishing the country's currency balance;
- ✓ At the same time, the volume of imports in the enterprises of the machine-building complex system is tens of times higher than the volume of exports. Although the cost of the industry has been reduced by an average of 10%, the automotive industry is unable to compete in foreign markets due to its high cost;
- ✓ It requires a critical analysis of the state of affairs in attracting foreign investment, first and foremost foreign direct investment. The share of such investments fell to 30 percent;
- ✓ high rates of economic growth and growing demand for investment resources are incompatible;
- ✓ the level of fruit and vegetable processing is less than 20%. New technologies and standards are being introduced very slowly. Production at joint ventures fell sharply;
- ✓ The share of yarn in exports remains high at 53%. The satisfaction of the population's demand for footwear is 41%. Many enterprises specializing in the cultivation of grapes, wine and vodka are inefficient.

A number of these issues are important issues raised at the enlarged meeting of the Cabinet of Ministers on the results of 2016 and priorities for 2017, which are directly and indirectly related to the activities and development of the engineering sector. This is due to the low level of processing in some sectors of the country, the high level of obsolescence in manufacturing, which leads to a low level of product competitiveness and a number of other problems, the lack of high-tech equipment in manufacturing and the obsolescence of production capacity.

In conclusion, as a solution to some of the above problems and in order to effectively use investments in the industry, we need to pay special attention to the following priorities and tasks:

- ➢ Development of a set of well-designed measures to establish a joint venture to increase the localization of equipment production;
- ➢ Production of various household electrical appliances at affordable prices for the population, ensuring the competitiveness of technologies created in our country, the creation of "know-how" models;
- ➢ Condition of production facilities, reduction of costs and cost, level of localization and profitability, unconditional increase of product competitiveness;
- ➢ Creation of new directions of machine-building industries for creation of modern technologies for development of secondary resources and processing of industrial wastes on the ground;
- ➢ Encourage investment in machinery processing, drying and storage technologies for agricultural products;
- ➢ Increase investment in energy-saving machinery and engineering, as well as in the supply of technology to high-value-added industries, government support for small-scale industrial enterprises;
- ➢ To provide relative advantages and benefits in investing in bio, nanotechnology and light industry enterprises, as well as in the engineering sector, which supplies technology to the processing industry?

The implementation of the tasks in these areas will allow the production of modern technologies and equipment for the processing industry and the energy sector, as well as the expansion of the range of agricultural machinery, reducing costs in all sectors of engineering.

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