

## CLASSIFICATION OF FACTORS FOR INCREASING THE INVESTMENT ACTIVITY OF SMALL INDUSTRIAL ZONES

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A B S T R A C T	K E Y W O R D S
<p>The article examines the processes associated with the strategic opportunities and conditions for increasing the investment activity of small industrial zones. Theoretical and methodological factors influencing the process of ensuring investment activity in small industrial zones have been studied. The directions and opportunities for overcoming the factors that negatively affect the investment activity of small industrial zones are based. Scientific proposals and practical recommendations on the formation of strategic directions for increasing the investment activity of small industrial zones in Uzbekistan.</p>	<p>small industrial zones, investment program, investment project, investment activity, investment policy, investment potential, investment environment, investment resource.</p>

### Introduction

It is known from the experience of the developed countries in the world that the role of direct investments, especially foreign direct investments, is extremely important in the technical and technological modernization of economic sectors, ensuring the economic and social development of regions. In this regard, the organization of industrial zones and their development is considered one of the convenient mechanisms for stimulating investment activity. According to the United Nations Conference on Trade and Development (UNCTAD), there are more than 5,400 large and small industrial zones in the world. At the same time, more than 25 percent of the volume of investments attracted to the economy of the regions corresponds to the contribution of these industrial zones. In addition, conglomerates and large manufacturers, which occupy a worthy place in the world economy, also strive to develop the activity of industrial zones. For example, large manufacturers such as Sembcorp Industries, Ascendas-Singbridge (Singapore) and Mitsubishi, Sojitz and Sumitomo (Japan), which are considered to be major industry representatives, use their financial resources wisely by investing in industrial zones.

The process of increasing investment activity in small industrial zones is manifested by the correct formulation of strategic goals and tasks of enterprises located in the industrial zone. Today, in a number of studies aimed at increasing investment activity, the improvement of the organizational and economic foundations of the development of the industrial production process takes on an important character. A number of processes related to the modernization of the material and technical base of

enterprises, the expansion of the production of innovative goods and services, and the reduction of the average costs for the production of one unit of the product due to the integration of investment factors serve as the subject of the research work.

However, current issues such as the conditions and factors of increasing investment activity in industrial zones, the influence of investment attractiveness on ensuring investment activity, the direct influence of factors related to the elimination of problems of the formation of investment projects in industrial zones, and the direct influence of factors on increasing the efficiency of investments, have not found their scientific solution. In Uzbekistan, the role of industrial zones is of leading importance in changing the structural composition of industrial production, increasing the production of industrial products per capita and supporting the system of localization of industrial production.

One of the important factors influencing the development of the regional economy in the conditions of the current economic globalization is the support of small and medium entrepreneurship, the organization of production facilities and their modernization by attracting investments to regional economic sectors, and thereby creating new jobs. In this regard, one of the methods used more and more in the innovative development of regions with low profitability in terms of economic development compared to other regions is the establishment of industrial zones.[1] Among the economists of our country, K.S. in this regard, they come to the conclusion that it is necessary to develop certain mechanisms to protect and promote the interests of investors.[2]

Development of industrial parks, technopolises and industrial zones in less developed and economically underdeveloped regions of world countries, thereby increasing the efficiency of economic potential and resource use, large and

special attention is paid to the scientific research of the issues of deepening the industrial cooperation between small production enterprises, increasing the investment attractiveness of the areas where small industrial zones are located, producing competitive products on this basis, and increasing the employment of the population.[3]

Literature review. In the studies conducted by V. Millberg and M. Amengual, among the economists who conducted scientific research in this direction, the activity of industrial parks serves as a good "motivation" for economically "backward" regions. According to them, industrial parks are small production areas set aside for economic development, the convenience of which is organized without the need for large production infrastructure, such as special economic or free economic zones. [4]

J.Karimkulov, one of the economists of our republic who agrees with the opinion of this research scientist, "as a specific type of free economic zones, small industrial zones, which are established on the basis of empty or unused buildings and structures, ensure the competitiveness of the economy as a rare example of partnership between the state and the private sector. , creation of new jobs, increase of export potential" is emphasized. J.Karimkulov's main researches are devoted to "Directions for the development of attracting foreign investments to free economic zones", and because the activities of small industrial zones are generally approached, their investment opportunities are not sufficiently covered, it shows that it is important to conduct scientific research to increase the investment activity of small industrial zones.[5 ]

Also, in the opinion of R.Yuldoshev, it is necessary to emphasize that while the role and role of small business in the national economy is thoroughly studied by analysts, its strengths and weaknesses are thoroughly researched. The main advantages of the "small economy" are the ability to easily manage

risks and easily survive various crises, while being among the first to meet the demands of the rapidly changing, always demanding market, and offer the necessary goods and services to the consumer.[21] Analysis and discussion of results. In the concept of complex socio-economic development of the Republic of Uzbekistan until 2030, priority is given to the process of implementation of the investment policy as the main factor of ensuring the country's economic development. The strategy notes the need to create convenient tools for business development in the country, to increase the investment activity of priority branches and sectors of the economy for the development of regions, as well as to create a system of effective tools for supporting investment activities.

Priority investment policy in priority sectors and areas of the economy requires the effectiveness of investment decisions aimed at increasing investments and diversifying production. In turn, practical tasks in this regard depend on the level of activity of investments aimed at introducing new technologies, increasing the competitiveness of industrial products and diversification.

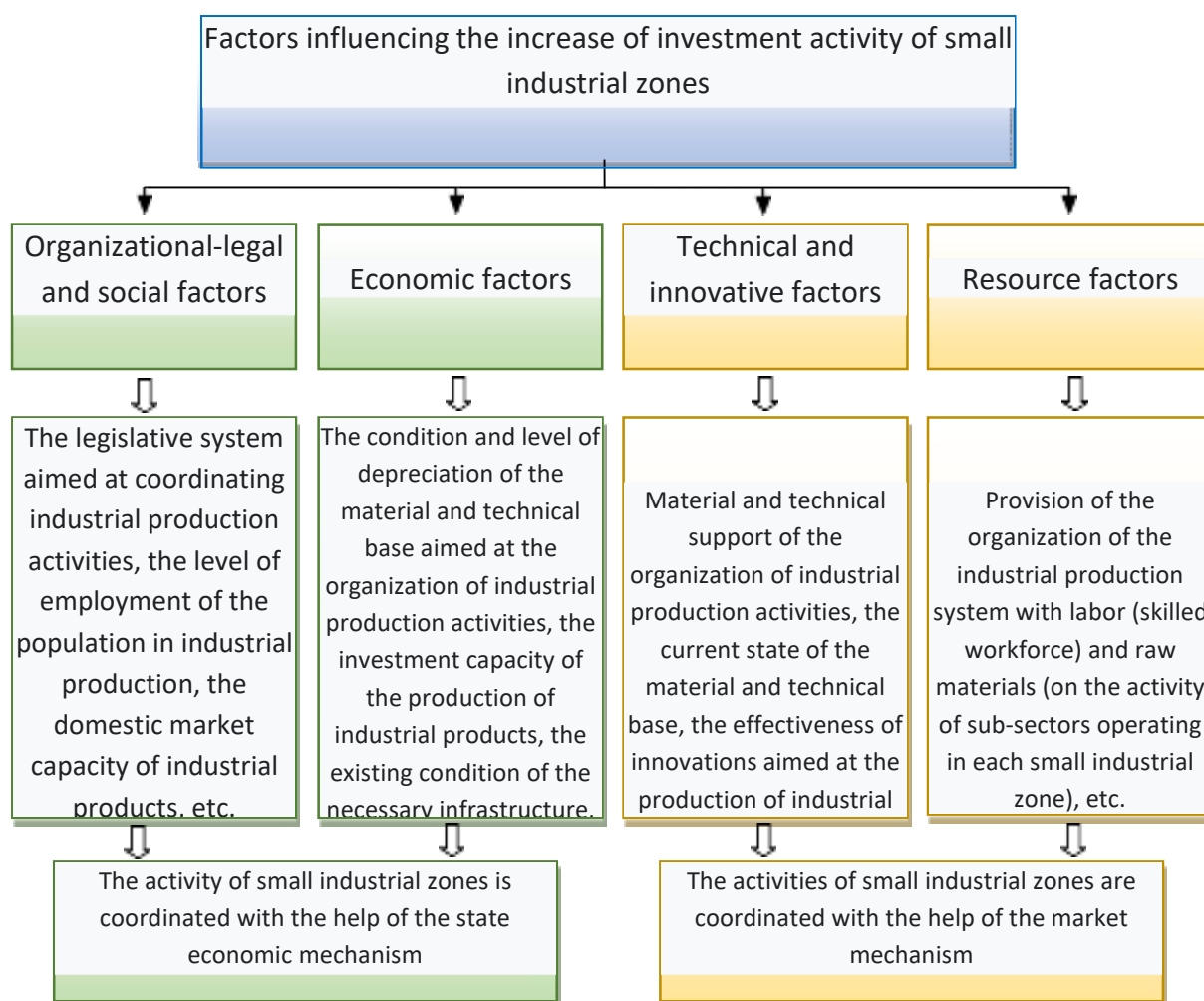


Figure 1. Classification of factors for increasing investment activity in small industrial zones

Source: compiled by the author.

It is important to develop regional investment strategies, taking into account relative advantages and opportunities in the Republic and its regions.

Because the production capacity increases the efficiency of the use of capital, taking into account the relative advantages of the regions, the available resources, infrastructure, labor force. In the end, the process of ensuring the competitiveness of the manufactured products allows to find additional sources of financing.

One of the most important tasks in increasing investment activity in small industrial zones is the implementation of active investment activities, in which it is important to update socio-economic relations, material resources and production forces in a scientific and technical way. The investment environment in small industrial zones provides investment attractiveness that gives the investor its value for the investment object. In turn, the established investment environment and the process of evaluating its effectiveness affect the targeted use of the investment potential of small industrial zones. For this purpose, it is appropriate to develop the criteria of the investment environment and to introduce a system of implementation of monitoring processes by local governments.

In approaches to assessing the investment attractiveness of industrial zones, since there is no system based on single indicators of investment attractiveness, it is necessary to systematize the indicators in this regard. Most of the methods used are focused on the analysis of different groups of factors, and there are no integral values based on the principles of their collection. Therefore, in this regard, a criterion for determining the investment environment based on the following indicators is proposed.

In our opinion, the process of effective use of investment factors creates investment conditions. Investment conditions are adapted under the influence of market forces, and this situation creates investment activity. This situation is also reflected in the activity of small industrial zones.

Increasing the investment activity of small industrial zones is primarily intended to accelerate the introduction of the production of imported products organized on the basis of unused, non-functioning production areas, as well as to ensure the creation of new stable jobs on this basis, as well as to increase the income of the population.

Such situations require the creation of conditions for increasing investment activity in small industrial zones and effective coordination of factors affecting this process.

According to the analysis of the situation arising from the use of the potential possibilities of regional investment resources, political and social factors have a significant impact on the investment activity of small industrial zones. These factors are summarized by a number of indicators, such as the legislative system aimed at coordinating the state's industrial production activities, the level of employment of the population in industrial production, and the domestic market capacity of industrial products. Effective integration of these factors is provided by state programs for the organization of industrial production at the country level.

Among the organizational and economic factors, the role of the material and technical base aimed at organizing production activities in small industrial zones is important. The level of depreciation of fixed assets, the investment capacity of production of industrial products, the factors related to the existing condition of the necessary infrastructure represent the economic potential of the area where the small industrial zone is located. The effectiveness of these opportunities depends on the organizational factors of industrial production.

Organizational and economic factors play a leading role in organizing the activities of small industrial zones in Uzbekistan. In this regard, along with the geographic location of small industrial zones, high attention is paid to the types of production, the stock of materials and the possibilities of increasing it, the availability of alternative suppliers of raw material supply enterprises.

Processes such as the population's need for necessary industrial products, the formation of prices for industrial products in domestic and foreign markets, increase the efficiency of the organizational and economic factors of small industrial zones and affect the change in investment capacity in this regard. In forming the target concentration of the above factors, the state tries to make wider use of a set of indirect methods of incentives, including tax credits, fast depreciation mechanisms, preferential tariffs, etc., related to ensuring the effectiveness of reforms aimed at increasing investment activity. Also, the practice of direct lending of financing, compensating the rate of bank loans and establishing guaranteed obligations is widely used in the coordination of active investment processes.

"Investment activity" is the level of socio-economic development of the country, the improvement of the investment environment through the active involvement of achievements in the field of science and technology in economic sectors and sectors, and is expressed through the upper and lower limits of the macroeconomic ratio between investments and savings. The numerical value of the ratio between investment and savings is expressed as a coefficient for assessing the level of investment activity.

## Conclusions and Suggestions

The main factor affecting investment activity is the investment climate and investment attractiveness. Therefore, in this regard, there is an increasing need to form regulatory and legal bases for the investment activity of small industrial zones. The process of guaranteeing investment risks in small industrial zones is of primary importance in regulatory legal documents aimed at forming the investment activity of small industrial zones. In particular, taking into account the uncertainties and high risk conditions in this regard, it is desirable not to harm the interests of investors by forming investment projects.

1. In the processes related to the purchase of investment projects in small industrial zones, special priority is given to the elimination of the factors that cause differences in real and basic prices that arise in the commercialization of the investment project.
2. In the formation of the investment project portfolio in small industrial zones, it is appropriate to organize the preferential structural composition of investment programs based on foreign experience. Organization of investment programs based on preferential structural composition ensures investment attractiveness in the activity of small industrial zones.

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