

SENDING INVESTMENTS TO AGRICULTURE: PROBLEM AND SOLUTIONS

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ABSTRACT

The article shows how to attract investment and use it effectively to achieve sustainable development of the agricultural sector. In order to create a suitable agricultural business environment and value chain, this year 25 cotton textiles, 80 cereals, 13 paddy and 1 drug-growing cluster were put into operation. In order to further develop the fruit and vegetable processing industry and to create additional opportunities for entrepreneurs, 8 modern agro-logistics centers with a capacity of 88,000 tons and 56 refrigerated warehouses with a capacity of 51,500 tons were built and put into operation.

KEYWORDS: *Investment, Investment Projects, Direct Investment, Export, Import, Subsidy, Savings, Credit, Agriculture, Investment Activity.*

INTRODUCTION

For the successful implementation of economic reforms in any country, investments, especially investment projects, must be implemented effectively in all areas. Depending on the size and volume of investment projects, inferences are made about the changes and changes in the country's economy.

Analysis of the Literature on the Subject

A number of economists in the country have conducted and continue to conduct research on the efficiency and effectiveness of attracting investment in the agricultural sector. In particular, Abdullaev R., Abduganiev A., Akramov E., Juraev F.J., Khusanov R., Kadyrov A., Shokirov A. conducted in-depth research in their time, but now Paradaev MK, Choriev K., Yusupov E., Xushmatov N., Murtazaev O. and the research work of others can be included.

In particular, S. R. Umarov defines investments in agriculture as follows: "Investments are all kinds of material, technical and intellectual resources that an investor spends for the development of the agricultural sector to obtain future earnings and social benefits over a certain period of time" (6).

In his research, Mustafakulov Sh.I. Expressed his views on the benefits created for investors in the country, the investment rating of the regions, the ways of attracting foreign investment,

their effect on the activation of domestic investment, the volume of investments in fixed assets to provide investment and economical potential (7);

In the research work of M.K. Pardaev and others, the accumulated problems in the agricultural sector of the economy in the transition to an innovative path of economic development showed ways to solve them in a positive way (8).

K.A. Choriev identified ways to scientifically verify the results of innovative management in the development of agriculture, planned the activities of farmers and farms, the development of the agricultural sector in general (9).

RESEARCH METHODOLOGY

In the research, economic, logical, scientific abstraction, analysis and synthesis, induction and deduction, comparison, monographic, economic-mathematical modeling, estimation methods were used.

Analysis and results Investments in fixed assets in the Republic of Uzbekistan in 2021 were 245 trillion soums, or 5.2% more than in 2020. In particular, 38.1% of enterprises and the own funds of the population, 61.9% received foreign funds. An in-depth analysis of the external debt structure showed that the state budget was 8.8%, bank loans and other borrowings - 8.0%, foreign investment and loans - 42.7%.¹ Or exports in the country's foreign trade amounted to 15.1 billion. USD, while imports amounted to 21.1 billion. USD or 28.4% less than exports and imports. In general, the need for foreign investment plays an important role in our country's economy.

If we look at the level of use of the investments attracted in the country in the agricultural sector, as a result of the agricultural reforms, the transfer of the land to private clusters and cooperatives allowed the cotton yield to increase by an average of 10% per year.

About 500 clusters and cooperatives have been established in the fields of fruit and vegetable cultivation, grain cultivation and animal husbandry. As a result, 1 billion dollars worth of fruit and vegetable exports were realized despite the negative impact of the pandemic. 91,000 hectares of land was reused. Water-saving technologies have been implemented on an area of 133,000 hectares, which is double the previous year. (<https://stat.uz/uz/rasmiy-statistika/investments>., Address to the Supreme Assembly of the President of the Republic of Uzbekistan, Shavkat Mirziyoyev. Tashkent, 29 December 2020.)

In recent years, in order to improve the reclamation of irrigated lands and increase the productivity of agricultural lands, the State Program on Rational Use of Water Resources in recent years has built many hydraulic structures and irrigation networks, for which grants have been allocated. With the introduction of water-saving technologies, it is planned to increase the land area by 5 times to 430,000 hectares and to develop 90,000 hectares of new land.

In order to create a suitable agricultural business environment and value chain, this year 25 cotton textiles, 80 cereals, 13 paddy and 1 drug-growing clusters were put into operation.

In order to further develop the fruit and vegetable processing industry and to create additional opportunities for entrepreneurs, 8 modern agro-logistics centers with a capacity of 88,000 tons and 56 refrigerated warehouses with a capacity of 51,500 tons were built and put into operation.

Particular attention is paid to increasing the investment attractiveness of agriculture and attracting foreign investments. dollars were distributed. These funds financed 367 projects

and created 7,173 new jobs. (<https://lex.uz/docs/-5816865>)

With the participation of the Asian Development Bank, 1,400 km of main and inter-farm collector-drainage infrastructure and 495 hydraulic structures were restored within the scope of the "improvement of land reclamation in the regions of Bukhara, Navoi and Kashkadarya". Modern agricultural-technical measures such as deep plowing of a total of 1,500 hectares of land, leveling with laser equipment and repair of internal drainage networks have been successfully completed. The advantages of modern agricultural machinery for short-term, high-quality and low-cost agricultural technical processes were demonstrated at the fairgrounds. This, of course, allows you to increase the scale and efficiency of the work, and most importantly, save on fuel and lubricants, as well as reduce overtime and labor costs. In addition, 856.3 km of collectors, 322.6 km of closed collector-drainage network, 12 reclamation pump stations, 257.4 km of canals, 70.8 km of irrigation table system were built and reconstructed.

At the current stage of the reforms, special attention is paid to the processing of agricultural products. Cultivated agricultural products are not only consumed by the population of the country, but are also exported abroad. It is noteworthy that among the buyers are not only neighboring countries, but also distant lands such as Europe and America. Entrepreneurs of our country attach great importance to the establishment of joint ventures with foreign partners, because this cooperation provides an opportunity to enter the world market.

Attracting investment in agriculture focuses, first of all, on improving crop production through the development of new lands, increasing productivity, improving livestock breeds, strengthening the feed base of livestock, as well as developing fisheries, beekeeping and poultry farming.

The aim of agricultural reforms is to ensure food security and increase the welfare of the people, as well as economic benefits.

However, a number of problems remain in providing agriculture with modern and energy-efficient agricultural machinery, which requires a particularly large share of investment: Minister of Agriculture of the Republic of Uzbekistan J. Khodjayev "ABOUT" Agriculture and Agricultural Development Agricultural Development of the Republic of Uzbekistan ABOUT Agricultural Development for the 2020s and 2030s

- 50-60% of the agricultural machinery fleet is mentally and physically obsolete, economically inefficient and urgently needs replacement;
- Obsolete equipment at plants producing various agricultural machinery, low localization of finished products;
- There are no benefits and subsidies for the sale of suspension, trailers and special agricultural machinery.

In order to positively address these issues, in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan, dated July 12, 2018, No. 533, in accordance with the Regulation on the State Support Fund for Agriculture under the Ministry of Finance, Uzbekistan was approved.

Fund funds will be used for the following purposes:

Timely financing of cotton and grain products;

Financing the supply of modern, highly productive agricultural machinery on preferential rental terms to farms and other agricultural establishments involved in the cultivation of

agricultural products for public procurement;

Repayment of accrued loan and interest;

Examining the experiences of developing and developed countries in financing the agricultural sector to further promote its positive results in the country;

Reimbursement of general expenses paid to seed cotton farms, varietal scientific institutions and other organizations involved in the preparation of seeds;

The positive difference between the price list and the world price of cotton fiber accumulated in the insurance account, the cultivation of cotton in a temporary shortage of funds, and the financing of the final settlement;

It is planned to finance the activities of the Department of Management of the State Support Fund for Agriculture under the Ministry of Finance of the Republic of Uzbekistan.

In addition, in recent years, state-guaranteed investments in agriculture are mainly aimed at improving the use of soil and water resources, and land reclamation.

Although the government's decision states that the land is leased to the farmer for 49 years, the farmers' land has been optimized several times over the past decade. What causes such instability? It works as if the farmer is "done today" because he is not sure he will own the land permanently. For this reason, it does not want to invest in long-term reclamation works, land reclamation, trenching and similar works.

The government is talking about increasing the number of diversified farmers, but the farmer still cannot choose the type of crop he wants to plant on his own. It is necessary to give freedom to sow the crop that has the greatest benefit. If the government needs to grow cotton or grain, give them more incentives so that the farmer can benefit more by planting those crops. China imports 4 million tons of raw cotton from agriculture, tons of fiber, recycles everything on its own and buys fiber from us. The 1980s, our country produced 6 million tons of cotton, of which 8-10% was processed in our country. Tons of raw cotton or one million. Tons of cotton fiber, the processed part of which does not exceed 20-25%.

Citizens working abroad and sending foreign exchange earn more from the raw cotton grown in the country. This does not mean that cotton should not be planted; but that the cotton should be sold as a finished product and cotton clusters should be widely promoted.

This is because the income from finished products is 10 times higher than from raw materials and many jobs are created.

We have mentioned above that foreign investment has a significant share in our country's economy. Is this amount less than other countries? Compared to Russia, the largest country in the CIS, or Kazakhstan, its neighbor in Central Asia, foreign investment per capita in these countries is 5-6 times ours.

Why foreign investment in our country is so low compared to other countries? This can be explained as:

The increase in inflation from 6-7% to 15% is also a negative factor;

Inadequate public services in the regions;

Low attitude of the population to private property;

Mismatch of development and innovation;

In some areas, the bureaucratic attitude of the leaders, that is, the dominance of the personal interests of the leaders - cases of giving land to investors;

The fact that the data of accounting and statistical reports do not fully comply with international standards, etc;

CONCLUSION AND RECOMMENDATIONS

- Attracting foreign direct investments in financing priority sectors of the economy and attracting loans that are guaranteed by the state only for a long time at low interest rates;
- Investments should be directed mainly towards the development of import-substituted and export-oriented production potential, the creation of new jobs, including the production of finished import-substitution products;
- Focusing on the establishment of factories for the processing of raw cotton and finished products, the establishment of small enterprises for the processing of fruits and vegetables, increasing the number of projects for the introduction of drip irrigation and other water-saving irrigation technologies;
- In attracting more state-guaranteed investment projects to the supply of agricultural machinery, in determining the amount of investment to be attracted and in the distribution of the agricultural sector in the same proportion to the country's GDP;
- There is no room for speculation in the development of investment projects, it is necessary to implement them carefully and attract more funds from farms and other entrepreneurs.

In addition, the opportunities for farms in the legal environment are insufficient. Specifically, in the 1998 version of the Farm Act, if a farmer lowered his average three-year productivity in land use, land could be taken from him.

Farmers should be managed economically, not economically. For example, it is recommended to use the management method by acting in accordance with the law and procedure specified in the contract or by increasing the land tax.

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