



## Industrial investment is the key to economic prosperity

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**Abstract:** Industrial enterprises are the most reliable and profitable assets for investment. By investing in them, investors develop the real sector of the economy and receive embodied assets in the form of property and profits of the industry's flagships. International extraction of valuable resources continues to grow rapidly every year.

**Key words:** Industrial enterprises

Investments play an important role in the economic development and economic stability of the state. Foreign investment is no exception today, which is a necessary factor in the development of the economy.

One of the macroeconomic factors that determine the development of the economy is GDP growth. The country's industrial enterprises account for the bulk of the GDP. Based on this, we can say that the most profitable investments are investments in industry.

Industrial enterprises are the most reliable and profitable assets for investment. By investing in them, investors develop the real sector of the economy and receive embodied assets in the form of property and profits of the industry's flagships. International extraction of valuable resources continues to grow rapidly every year. Along with it, the income of investors who decide to purchase real, reliable shares is also growing. Such placement of assets is a break-even, risk-free, profitable investment in the future development of the world economy and personal financial well-being.

According to a recent report by S&P Global Ratings, Uzbekistan's GDP is expected to grow by 5% in 2023 and 5.5% in 2024, which is a slight decrease from the projected growth of 5% in 2022. The report focused on an analysis of the country's banking sector and an assessment of the economic reform program aimed at improving the efficiency of state-owned enterprises and privatization<sup>1</sup>.

However, S&P acknowledges the government's efforts to improve the economy through privatization and notes that the government's increased net debt will remain low at 23% of GDP by 2025. The current account deficit is expected to widen to 6% over the next three years, but will be financed by foreign direct investment and debt accumulation.

GDP per capita in 2022 rose by 9.3% to \$2146.7, the lowest among comparable countries, but the actual income of the population may be higher due to the significant shadow economy<sup>2</sup>.

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<sup>1</sup> <https://upl.uz>

<sup>2</sup> <https://upl.uz>

The investment activity of the country's industrial enterprises is directly related to the economic recovery. Investment entrepreneurship, property and intellectual property invested in the objects of activity embody all kinds of values, as a result, a positive financial result is formed. Therefore, it is crucial for the government to encourage and support investment activities in order to boost economic growth and improve the standard of living for the population. Additionally, measures should be taken to reduce the size of the shadow economy and increase transparency in order to accurately measure and address income inequality.

**Table 1**  
**Investments in fixed assets<sup>3</sup>**  
**(Billion soums)**

<b>Territories</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Republic of Uzbekistan</b>	<b>51232,0</b>	<b>72155,2</b>	<b>124231,3</b>	<b>195927,3</b>	<b>210195,1</b>	<b>239552,6</b>
Republic of Karakalpakstan	3778,3	2822,0	6757,8	8750,6	7089,8	8110,7
Andijan	2188,5	2986,0	4711,9	7452,1	9622,6	11176,6
Bukhara	5922,9	11613,4	9610,9	10366,6	12183,9	20528,3
Jizzakh	1449,7	1788,2	3606,3	7900,9	12545,4	9233,6
Kashkadarya	7304,4	11175,3	16518,5	24462,5	20557,6	17359,1
Navoi	2963,2	3977,9	10579,5	17646,3	15688,4	15020,1
Namangan	2824,5	3586,7	8158,1	12084,9	12007,2	12982,0
Samarkand	3623,5	4384,2	7061,4	10266,7	14656,4	15641,6
Surkhandarya	2142,4	3551,0	7240,6	11835,1	10068,2	12037,8
Syrdarya	1322,9	1628,0	2699,3	5869,1	7191,9	8051,8
Tashkent	4238,7	5938,4	11226,9	20353,9	21148,6	28113,6
Fergana	2643,6	2954,5	5539,1	8685,4	11040,0	12625,2
Khorezm	1560,5	2175,9	3013,8	5032,0	5391,8	8292,0
Tashkent city	9268,9	13573,7	26435,7	42458,1	50371,3	58172,7

The above data shows that, despite the pandemic, the volume of investment in fixed assets in Uzbekistan increased from 2019 to 2020. By 2021, there is a significant increase, amounting to 29357.5 billion soums.

Investments in industries that are already fundamentally changing our economy have huge potential. But in addition to the potential, there is a big risk, a component - the risk of successful implementation of projects that seem fantastic at this stage. However, given the huge financial

<sup>3</sup> [www.stat.uz](http://www.stat.uz)



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## Journal of Multidisciplinary Innovations

**Volume 15, March, 2023.**

Website: [www.peerianjournal.com](http://www.peerianjournal.com)

**ISSN (E): 2788-0389**

Email: [editor@peerianjournal.com](mailto:editor@peerianjournal.com)

investments in development and the stunning pace of technology development, we can say that the risk of success of these investments is only a matter of time.

But no matter what industry you choose to enter, it is important that you always exercise due diligence and care in your asset selection. An industry is a broad concept, and it can include a wide variety of companies: from industry giants with an impressive history, with fundamental growth drivers, to loss-making new start-up companies with uncertain prospects.

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