

THE ECONOMIC ESSENCE, IMPORTANCE, TYPES, AND SOURCES OF FINANCING OF INVESTMENTS

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Annotation: The article explores the economic essence and significance of investments as a key factor in ensuring sustainable economic development. Investments are analyzed as a crucial mechanism for expanding production, improving competitiveness, and fostering innovation in various sectors of the economy. The study classifies the main types of investments — real, financial, intellectual, and social — and provides insights into their distinctive features and functions. Special attention is given to the sources of investment financing, including internal (own funds, depreciation, profit) and external (bank loans, state funds, foreign direct investments, and securities markets) sources. The article also highlights the role of investment policy in creating a favorable investment climate and in supporting the balanced growth of national and regional economies. The findings underscore that the effective use and management of investment resources directly determine the pace of economic modernization and social welfare.

Keywords: investment, economy, financial resources, innovation, development, financing sources, investment policy.

Introduction

In recent years, the modernization of agriculture, the enhancement of food security, and the expansion of export potential have been identified as key priorities of the state policy of the Republic of Uzbekistan. In particular, the horticulture sector plays a significant role within the country's agrarian structure by creating high value-added products, supplying the population with vitamin-rich fruits and vegetables, enriching the processing industry with raw materials, and expanding opportunities for export to foreign markets. Through these contributions, horticulture directly supports sustainable economic growth and strengthens Uzbekistan's position in the global agricultural economy.

However, current practice shows that the efficiency of investment resource utilization in horticultural enterprises remains insufficient. At present, many farms and agricultural producers are unable to fully benefit from modern intensive horticultural technologies, water-saving irrigation systems, and the infrastructure for product storage and processing. As a result, the return on investment is low, production costs remain high, and overall competitiveness is limited.

In this regard, improving the efficiency of investment use in horticulture is of great importance not only for individual farms but also for the entire economy. Effective management and allocation of investment flows can help achieve higher productivity, produce export-oriented goods that meet international market demands, and ensure price stability in the domestic market.

Literature Review and Methodology

The scientific development of horticulture, viticulture, and winemaking in Uzbekistan began to take shape at the end of the 19th century. In 1898, the establishment of the Turkestan Agricultural Experimental Field by R. R. Shreder marked the beginning of scientific experimentation, testing, introduction, and regional adaptation efforts in the fields of fruit growing and viticulture in the region. In subsequent stages, this institution underwent several reorganizations and was eventually elevated to the status of an institute. It laid the foundation for a national scientific school specializing in agrotechnology, plant breeding and seed production, mechanization, as well as fruit processing and storage.

Throughout its history, prominent scholars such as M. M. Mirzayev, V. Kuznetsov, S. S. Kalmikov, A. G. Shreder, K. V. Smirnov, A. K. Pavlov, A. S. Cherevatenko, S. I. Yagudina, O. K. Afanasyev, S. Eshonkhonov, M. K. Sobirov, Kh. F. G'ulomov, Yu. M. Javakyans, and M. J. Razzokov played a significant role in shaping the institute's scientific directions and methodological approaches.

At the same time, most existing literature focuses on the efficiency of investments in general agriculture or industrial sectors. Theoretical foundations and practical mechanisms for improving investment efficiency in horticulture—such as investment returns, resource utilization indicators, and methods to enhance the effectiveness of investment projects—have not been sufficiently studied in a systematic manner. In this regard, the present research is significant as it aims to fill this scientific gap.

Investment (from the Latin *investio* — “to wrap, to clothe”) refers to the long-term allocation of capital — both domestically and abroad — into various sectors of the economy, socio-economic programs, innovations, and entrepreneurial projects for the purpose of economic development. Investment is primarily regarded as a crucial factor for expanding economic activity, modernizing production, introducing innovations, and creating additional value.

Since gaining state independence, the Republic of Uzbekistan has chosen its own distinct and independent path for developing the national economy. From the very beginning, investment has been recognized as one of the key drivers of economic growth. Investments play an important role not only in the modernization of production but also in restructuring the economy, implementing innovative ideas, supporting social sectors, and improving the population's living standards.

Therefore, conducting a comprehensive scientific analysis of the economic essence and nature of investment is one of the most relevant aspects of this dissertation research.

Economists have interpreted the concept of investment in various ways. For instance, Professor D. G'. G'ozibekov explains investment as a financial category, describing it as “the process of obtaining funds from reliable and well-defined sources, mobilizing them in a justified manner, preserving the value of capital while considering risks, and achieving the intended economic return.” This approach highlights the direct relationship between investment, financial stability, and risk management.

Meanwhile, N. H. Haydarov defines investment as “the allocation of wealth by individuals, legal entities, and the state—regardless of the form of ownership—into lawful entrepreneurial

activities with the aim of obtaining economic and social benefits.” This interpretation emphasizes not only the social effectiveness of investments but also the active participation of both the private and public sectors in the investment process.

In the literature, investment is also interpreted as “the allocation of capital in various forms with the goal of increasing it in the future” or as “the process of foregoing present consumption in order to obtain future profit.” Furthermore, it is defined as “the current growth of capital expenditures generated during the production cycle, that is, the portion of profit not spent on consumption.”

Thus, investments encompass not only monetary funds and capital expenditures, but also technologies, machinery and equipment, intellectual property, securities, as well as property and non-property rights. They serve as a key factor of economic development, supporting the strategic objectives of both the public and private sectors.

Conclusion

In conclusion, investments play a crucial role in ensuring sustainable economic growth, modernization of production, and the implementation of innovative technologies. They not only stimulate industrial development but also contribute to improving social welfare and enhancing the competitiveness of the national economy. The effectiveness of investment activity largely depends on the rational use of resources, the creation of a favorable business environment, and the development of financial and institutional mechanisms that support entrepreneurship. Therefore, increasing investment efficiency and ensuring its strategic alignment with national economic priorities remain key tasks for Uzbekistan’s long-term development.

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