

THE IMPORTANCE OF FINANCING INVESTMENT ACTIVITIES IN ECONOMIC DEVELOPMENT

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Annotation: The article covers the opinions of Economist scientists about financing investments in the development of the economy. Sources of financing for investment projects and their features have also been studied.

Key words: Development of the economy, investment, financing, credit.

ВАЖНОСТЬ ФИНАНСИРОВАНИЯ ИНВЕСТИЦИОННОЙ ДЕЯТЕЛЬНОСТИ ДЛЯ ЭКОНОМИЧЕСКОГО РАЗВИТИЯ

Аннотация. В статье освещается мнение ученых-экономистов о финансировании инвестиций, осуществляемых для развития экономики. Также изучены источники финансирования инвестиционных проектов и их особенности.

Ключевые слова. Развитие экономики, инвестиции, финансирование, кредит.

In studying the economic essence of investment financing, it is appropriate to study the views of a number of economists. In the book "Project Management" by the Russian economist I. Mazur, it is defined as: "project financing is the provision of financial resources in the form of credit for the implementation of investment projects." Here, it is written that the loan can be without any recourse, limited or full recourse to the borrower. In the works of D. Morozov, the idea is put forward that "project financing is lending to the project in various forms, in which the loan repayment is secured by income from the project." According to the Uzbek economist D. Gozibekov, "project financing, with its complex financial relations, is financing based on long-term contracts for the purchase of products manufactured in exchange for projects, providing material guarantees to the creditor." In addition, D. Gozibekov's works emphasize that the source of repayment of borrowed funds for the project is the income received after the project is launched.

Indeed, project financing of investments is considered one of the most advanced modern forms of financing. Therefore, it has a rich content. It is worth noting that project financing is financing the purchase, organization or construction of fixed assets under the project, in which the lender mainly pays attention to:

as a source of loan repayment, to the net cash flow received as a result of the project implementation; to the source of ensuring the safe return of the loan granted to finance the project, that is, to the ability of the client to provide collateral, guarantees and other collateral. The content of project financing is explained in the instructions of the National Bank for Foreign Economic Activity of the Republic of Uzbekistan as follows: "project financing is the process of granting, evaluating and monitoring a loan

by a bank, in which the loan is directed to the construction, reconstruction or technical re-equipment of production and service facilities for the normal operation, including the purchase of equipment or the formation of fixed assets, as well as the purchase of working capital”.

Additional income received through the implementation of the project is the main source of loan repayment. If additional income is not received through the implementation of the project or if savings are not achieved through the modernization of production under the project, such financing cannot be considered project financing, it is considered financing carried out on the basis of a business plan.

Project financing is a targeted lending for the implementation of large investment projects with no recourse (demand, right) or limited recourse to the borrower's credit, in which the borrower's payment obligations are secured by funds accumulated during investment activities. In project financing, the source of loan repayment is the income received as a result of the project's implementation.

In a commercial or investment loan, the source of loan repayment may be the borrower's income from the general activities of the borrower. The main source of loan repayment is net profit and cash flows from the implementation of the project. In project financing, there is no specific net collateral. However, this does not mean that collateral is not required for the loan in project financing. The lack of specific collateral in project financing does not allow projects to attract large amounts of funds to collect the necessary guarantees or collateral. Project financing is the process of granting, evaluating, and monitoring loans by a bank, in which the loan is intended for the construction, renovation, or purchase of equipment for the normal operation of production and service facilities. In general, project financing is a type of lending for investment projects, in which the lender partially or fully assumes the risks associated with the implementation of this project. If in ordinary bank lending operations, the main emphasis is placed, first of all, on studying the borrower's creditworthiness, assessing his financial and economic condition, stability, as well as the property used as collateral, then in project financing the main attention is paid to project analysis. Thus, project financing means the pooling of several bank resources in financing large investment projects and the distribution of risks between project participants.

In project financing of investments in the real sector of the economy, there are many features of investment projects, the main of which are:

- high cost;
- large number of project participants;
- often all types of risks are present;
- capital requirement – such projects have a very high demand for financial resources, and mixed financing methods are used for them;
- labor demand for design and construction works is high;
- commissioning is given for periods of 5-7 years or longer;
- allocation of project sites and, therefore, additional costs for infrastructure development;
- impact on the socio-economic situation of the country or region.

Among the specific features of large projects, it is necessary to take into account a number of factors:

- studying the project in various sections in order to qualitatively monitor its performance;
- conducting a complete analysis of the socio-economic situation of the region where the project is being implemented;
- independent development of project phases;
- implementing constant updates during the design of the plan.

These factors and the high number of risks associated with them can create a number of difficulties in the implementation of large projects. Another main reason for the high number of risks is the large number of project participants.

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