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## IMPROVEMENT OF FINANCIAL ANALYSIS PROCESSES IN THE EXAMINATION OF INVESTMENT PROJECTS

**Annotatsiya:** Ushbu tadqiqot investitsiya loyihalarini baholash kontekstida moliyaviy tahlil usullarini ilgari surish uchun innovatsion yondashuvlarni o'rganadi. U loyihalarni baholashda shaffoflik va aniqlikni oshirishga qaratilgan moliyaviy modellashtirish va ma'lumotlarga asoslangan tahlilda rivojlanayotgan tendentsiyalarni ta'kidlaydi. An'anaviy moliyaviy ko'rib chiqish jarayonlarini qayta ko'rib chiqish orqali maqola potentsial investitsiya xatarlarini minimallashtirish va loyiha investitsiyalarida strategik o'sish va barqarorlikka sodiq bo'lgan moliya mutaxassislari uchun yo'l xaritasini taklif qilgan holda, qiymat yaratuvchi loyihalarni aniqlashni qo'llab-quvvatlaydigan asosni taklif qiladi.

**Annotation:** study explores innovative approaches to advancing financial analysis techniques in the context of evaluating investment projects. It highlights emerging trends in financial modeling and data-driven analysis, aiming to increase transparency and precision in project assessments. By reimagining traditional financial review processes, the article proposes a framework that supports the identification of value-generating projects while minimizing potential investment risks, offering a roadmap for finance professionals committed to strategic growth and sustainability in project investments.

**Аннотация:** В этом исследовании изучаются инновационные подходы к продвижению методов финансового анализа в контексте оценки инвестиционных проектов. В нем освещаются новые тенденции в финансовом моделировании и анализе на основе данных, направленные на повышение прозрачности и точности в оценке проектов. Переосмысливая традиционные процессы финансового обзора, статья предлагает структуру, которая поддерживает идентификацию проектов, генерирующих стоимость, при этом минимизируя потенциальные инвестиционные риски, предлагая дорожную карту для финансовых специалистов, стремящихся к стратегическому росту и устойчивости в инвестициях в проекты.

**Kalit so'zlar:** Daromad, samaradorlik, ko'rsatkichlar, kapital, fizibilite, baholash, strategiya, samaradorlik, daromadlar, taqqoslash

**Key words:** Profitability, Efficiency, Metrics, Capital, Feasibility, Valuation, Strategy, Performance, Returns, Benchmarking

**Ключевые слова:** Рентабельность, Эффективность, Метрики, Капитал, Осуществимость, Оценка, Стратегия, Производительность, Возврат, Сравнительный анализ

In an era characterized by rapid technological progress and evolving market conditions, the importance of effective financial analysis in evaluating investment projects cannot be overstated. The complexity of today's investment landscape is increasingly challenging traditional methods of financial valuation, requiring a rethinking of analytical processes. This article explores innovative strategies for improving financial analysis, focusing on how organizations can use more rigorous

valuation techniques to make informed investment decisions. By using new data analysis tools, applying best practices in risk management, and improving performance metrics, stakeholders can significantly improve their ability to assess project feasibility and potential returns. In exploring these enhancements, we aim to provide a framework that equips finance professionals with the skills needed to navigate the complexities of investment analysis in today's competitive environment.

Uzbekistan is facing a number of problems in improving financial analysis processes for the examination of investment projects. However, the government and relevant stakeholders are actively seeking solutions to address these challenges.

### Problems

1. **Inadequate data quality and availability:** One of the main challenges in conducting thorough financial analysis is the lack of reliable and comprehensive data. Many existing data sources are fragmented, outdated, or lack standardization, making it difficult for analysts to draw accurate conclusions.

2. **Limited Analytical Skills:** The financial analysis workforce lacks significant skills, particularly in advanced analytical techniques and modern financial modeling. Many professionals may not be familiar with international best practices or the latest tools available for financial analysis.

3. **Bureaucratic hurdles:** While reforms have improved the investment climate, bureaucratic red tape is still a challenge. Lengthy approval processes can delay investment decisions and hinder timely financial analysis, leading to missed opportunities.

4. **Weaknesses in risk management:** Effective risk assessment is critical to evaluating investment projects, yet many organizations struggle to implement a solid risk management framework. This can lead to ill-informed investment decisions and exposure to financial losses.

5. **Inadequacy of the regulatory framework:** despite improvements, the regulatory environment can still be inconsistent, with enforcement and compliance gaps complicating financial analysis and project evaluation.

### Solutions

1. **Data standardization initiatives:** The government can prioritize efforts to standardize data collection and reporting practices across sectors. Creating a centralized database for investment-related information increases data quality and accessibility, facilitating more accurate financial analyses.

2. **Capacity building programs:** To address skills gaps, Uzbekistan can implement targeted training programs for financial analysts and project evaluators. Cooperation with international financial institutions and universities can provide access to advanced analytical techniques and tools and encourage a skilled workforce.

3. **Simplify approval processes:** The government can further streamline bureaucratic procedures by adopting digital solutions for project approvals. Implementation of electronic management platforms reduces administrative burdens, accelerates investment analysis and decision-making.

4. **Enhanced basis of risk management:** development and promotion of standardized risk assessment methodologies will help organizations to better assess potential risks associated with investment

projects. This may include training on international risk management practices and the creation of guidelines for effective risk assessment.

5. Strengthen regulatory oversight: Uzbekistan should continue to improve its regulatory framework to create a more favorable environment for financial analysis. This includes ensuring consistent enforcement of regulations and providing clear guidance on financial reporting and project evaluation.

6. Encouraging Public-Private Partnerships: Fostering partnerships between the public and private sectors can improve the financial analysis process. Involving private sector expertise in project evaluation and offering feedback on regulatory practices can lead to more effective investment strategies.

By addressing these issues through targeted solutions, Uzbekistan can significantly improve the financial analysis processes for evaluating investment projects, thereby creating a stronger and more attractive investment environment.

In recent years, developing countries have witnessed significant changes in the processes of financial analysis, particularly in the examination of investment projects. These changes are caused by economic reforms, technological advances and increasing attention to sustainable development. Here are some of the key changes observed globally:

#### 1. Adoption of International Financial Reporting Standards (IFRS).

Many developing countries have begun to adopt IFRS to improve transparency and comparability of financial reporting. For example, in 2015, Bangladesh adopted IFRS to improve the quality of financial reporting and attract foreign investment. Similarly, countries such as India and South Africa have incorporated these standards into their financial reporting systems, leading to improved financial analysis capabilities.

#### 2. Digital transformation initiatives

Digital transformation of financial services has accelerated in developing countries. For example, according to the World Bank, as of 2021, about 75 percent of businesses in low-income countries are using digital platforms for financial transactions. This shift has enabled more reliable data collection and analysis, leading to better informed investment decisions. Countries such as Kenya have developed mobile banking solutions that enable greater access to financial services and improve financial analysis in project evaluation.

#### 3. Increase in the volume of foreign direct investments

According to the United Nations Conference on Trade and Development (UNCTAD), the flow of foreign direct investment to developing countries will reach 651 billion dollars in 2021, which is the total direct made about 62% of the volume of real investments. This growth underscores the growing confidence in emerging economies and the effectiveness of financial analysis processes in evaluating investment opportunities. For example, there has been an increase in direct investment in Ethiopia, particularly in the manufacturing and energy sectors, as a result of improvements in the financial analysis system.

#### 4. Capacity building and skill development

Countries such as Vietnam and Indonesia have invested in capacity-building programs to improve the skills of financial analysts and project evaluators. Asian Development Bank (ADB) is actively



involved in providing training programs focused on modern financial analysis methods, risk assessment and project management. By 2020, as a result of these initiatives, qualified personnel with the ability to conduct thorough financial analysis of investment projects have emerged.

#### 5. Emphasis on sustainable investments

There is a growing trend in developing countries to integrate sustainability into financial analysis processes. The United Nations Sustainable Development Goals (SDGs) adopted in 2015 have encouraged many countries to evaluate investment projects based on their social, economic and environmental impacts. For example, in 2021, the Costa Rican government launched a Green Investment Strategy to attract sustainable investments, which includes a comprehensive financial analysis to assess the viability of green projects.

#### 6. Public-private partnership (PPP)

Many developing countries are increasingly using PPPs for infrastructure development. For example, the World Bank reported in 2022 that the number of PPP projects in Africa has increased by 23% over the past five years, indicating a shift towards collaborative investment approaches. Countries such as Nigeria and South Africa have implemented systems that require rigorous financial analysis of PPP projects to ensure their feasibility and sustainability.

#### 7. Regulatory and legal reforms

Countries are reforming their regulatory environment to create more transparent and investor-friendly conditions. For example, in 2020, the Colombian government passed a new investment law aimed at simplifying regulations and strengthening investor protection. Such reforms will help improve financial analysis processes by providing clearer guidance and reducing uncertainty for investors.

#### Summary

These developments in developing countries reflect a global trend towards improving financial analysis processes for evaluating investment projects. By adopting international standards, embracing digital transformation and focusing on sustainable development, these countries are better equipped to assess investment opportunities and attract foreign capital, thereby contributing to their economic growth and development.

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