



International Conference of Economics, Finance and Accounting Studies

International Conference of Economics, Finance and Accounting Studies is a double-blind peer-reviewed, open-access journal published to reach excellence on the scope. It considers scholarly, research-based articles on all aspects of economics, finance and accounting. As an international congress aimed at facilitating the global exchange of education theory, contributions from different educational systems and cultures are encouraged. It aims to provide a forum for all researchers, educators, educational policy-makers and planners to exchange invaluable ideas and resources.

Issues of Financing Investment Activities in Textile and Light Industry Enterprises

Yusupov Saidvali Shukrullayevich

Alfraganus University, International tourism management, Professor's Department, PhD

ABSTRACT

This thesis examines the issues of financing investment activities in textile enterprises, considers problems that negatively affect the sustainable development of enterprises operating in the sector and their solutions, the need to consistently implement urgent tasks to increase the investment potential of the sector, and other issues.

Keywords: Textile enterprises, knitwear enterprises, sewing and knitting enterprises, innovation, investment, financing of investment activities, investment attractiveness, competitiveness, investment projects, modern development trends, investment potential of enterprises.

In recent years, a number of positive results have been achieved in attracting investments to textile enterprises, but at the same time there are some problems that are waiting for their solution. As a vivid example, we can cite the underdevelopment of engineering infrastructure, insufficient advertising of Uzbekistan's investment attractiveness in the world media, high differentiation in the distribution of investments between regions, and the underutilization of opportunities for implementing new investment projects in industrial sectors. Therefore, it is important to implement a number of effective measures aimed at increasing the stability of the activities of enterprises in industrial sectors and, for this purpose, increasing the inflow of foreign investments [1].

One of the factors affecting the inflow of investments in industrial enterprises is the direct study of the market situation, the level of demand for products manufactured or intended for production through in-depth marketing research, and the position of competitors in the market, as well as the implementation of measures to quickly adapt to changing market conditions. Because, as a result of the lack of thorough marketing research aimed at researching product markets and studying their current situation, it creates difficulties for manufacturers to take a strong position in the markets and attract investment resources for promising projects.

The basis of the investment activity of textile industry enterprises is such aspects as the financial and economic environment for the consistent implementation of investment activities at enterprises, a system of strategic goals aimed at the future development of the enterprise's activities, an effective investment strategy and its main directions, an effective financing mechanism, and the ability to attract financial resources on a large scale. In recent years, along

with the creation of an attractive investment environment in the national economy, reforms have been consistently implemented at textile industry enterprises aimed at producing high-quality finished products, including import-substituting and export-oriented products. At the same time, an important legal framework and financial and economic conditions have been created to further stimulate the development of textile industry enterprises [2].

Along with the positive aspects mentioned above, there are the following problems that negatively affect the sustainable development of the textile and garment industry and enterprises operating in this sector, **the solution of which will play an important role in the further development of this sector** [4]:

- low level of practical assistance to the implementation of export prospects through effective work on financial stabilization and debt restructuring of enterprises based on the analysis of the existing financial and economic situation;
- due to the improper organization of marketing services at enterprises, the underdevelopment of activities to gain a strong position in the world market and improve the quality of goods;
- due to the lack of formation of a stable technological chain for the production of competitive products with high added value, the share of products created in the textile industry in the gross domestic product does not form a high indicator;
- physical and moral obsolescence of the equipment used in the production process, the lack of full compliance of the existing conditions for the production of products and the products created on this basis with modern standards, and low competitiveness indicators;
- due to the lack of participation of enterprises operating in the textile industry in the country's stock market, the limited ability of enterprises in the sector to attract additional financial resources;
- the share of textile and garment products in GDP does not have a stable trend due to the insufficient implementation of new investment projects in the sector and the lack of attraction of the necessary financial resources for financing projects;
- the ineffective organization of financial management at enterprises operating in the textile industry and its failure to meet modern development trends negatively affect the investment potential of enterprises in the sector;
- the widespread use of international standards at enterprises in the sector is not up to the required level, as well as the ineffective organization of the introduction of modern quality management systems, which leads to insufficient use of the practice of increasing the volume of exports of enterprises by exporting products to world markets and attracting foreign investments on this basis;
- the irrational distribution of production resources within the sector and shortcomings in the creation of the necessary infrastructure lead to disruptions in the majority of production capacities and to a certain extent to economic losses.

This situation ultimately affects the increase in the cost of manufactured products and the decrease in profitability. Achieving sustainable development of the textile and garment industry in the national economy, expanding the production volumes of high-quality and competitive products through the implementation of highly promising projects at industry enterprises, gaining a strong position in the world market, as well as increasing the investment potential of the industry **The following urgent tasks should be consistently implemented** [3]:

- attract additional financial resources to the textile and garment and knitwear industry, which has the potential to become a "driver" of the national economy;
- develop an effective mechanism for attracting investments to the textile and garment and knitwear industry;

- introduce public-private partnership mechanisms into the activities of textile and garment and knitwear enterprises;
- occupy a stable position in world markets on the basis of creating a variety of high-quality and competitive products through the application of modern standardization and certification systems to the production process at textile industry enterprises;
- in order to further increase the competitiveness of industry enterprises, apply in practice the cluster model that ensures the integration of production, from the cultivation of cotton raw materials to their primary processing and processing at textile and garment and knitwear enterprises, and the production process of textile products with high added value;
- by implementing new innovative technologies, know-how and developments in the production process of existing textile and sewing-knitting enterprises, directing investments to such purposes as increasing the volume of production and export of high-quality and competitive products, and wide promotion of national product brands in the world trade markets.

The investment activity of enterprises in the industry is directly related to the economic recovery of the country. It is known that investments, reflecting the financial resources included in business activities, aim to achieve economic efficiency in the end.

If we take into account that the investment activity of textile and sewing-knitting enterprises in our country is financed only by the enterprises' own funds, commercial banks and direct foreign investments, it is possible to provide the state with sufficient funds for long-term and high-risk projects through industrial investments, the state credit program and the package of financial resources formed by the government guarantee. The package of financial resources consisting of industrial investments, credit programs of commercial banks and government guarantees will be provided to textile and sewing-knitting enterprises through state-owned financial intermediaries. As a result, the ground is created for the growth of enterprises, most of which are formed in the form of small and medium-sized enterprises, and as a result, financing of projects by foreign investors is supported.

In conclusion, it can be said that, in world practice, the following methods are used to protect and guarantee the interests of investors:

- ✓ adoption of appropriate norms of national legislation in relation to foreign investors;
- ✓ harmonization of norms of multilateral treaties;
- ✓ harmonization of interstate bilateral treaties on mutual protection and promotion of capital investments;
- ✓ harmonization of agreements with interstate and foreign investors on specific investment projects.

Although all of these methods are used in our republic, in our opinion, they are not sufficient. As we noted above, special attention should be paid to the full and rational use of the investment potential of the regions, the creation of production facilities aimed at producing high-quality products based on the processing of existing resources in each region, as well as the process of attracting large-scale investments, as well as the financial support of investment activities.

Also, to improve the investment climate in the textile and garment industry, it is advisable to implement the following:

- Direct the funds of the credit line of the Fund for Reconstruction and Development of the Republic of Uzbekistan to provide investment projects with working capital;
- It is necessary to take measures to allocate the necessary land plots and launch construction work on the basis of the principle of public-private partnership, and to build the necessary infrastructure for them (roads, electricity, gas, water, sewage networks, etc.) at the expense

of the centralized state budget;

- It is necessary to attract simplified bank loans to develop existing foreign trade and logistics structures, as well as to build new structures that are conveniently located for manufacturing enterprises;
- It is necessary to develop and implement the national rating of "Reliable Textile Exporters" in order to attract foreign buyers (brands) and partners. In this regard, it is necessary to create and implement a mechanism for allocating pre-export loans on preferential terms to exporting enterprises with this rating.

Literature used:

1. Investment management: A textbook. / Ed. by V.V. Mishchenko. - 2nd ed., revised and enlarged. - Moscow: KNORUS, 2008. - 400 p.
2. Boltaboev M.R. Tўqimachilik sanoatida marketing strategysi. Monograph. - T.: FAN, 2004. - 223 p.
3. Kochetkova T.S. Evaluation of the effectiveness of management processes in a textile enterprise / T.S. Kochetkova // News of Higher Education Institutions. Textile Industry Technology. - 2013. - No. 2. - P. 12-15.
4. "Uztўqimachilik sanoat" oyushmasi yillik xisobotlari. 2020-2024 йй.