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FACTORS AFFECTING INVESTMENT ACTIVITY OF SMALL BUSINESSES IN UZBEKISTAN.

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Abstract: : *This article discusses the theoretical and practical aspects of the factors that increase the investment activity of small businesses.*

Key words: *Small business, investment activity, private enterprise, reform, innovative potential, demographic situation, market relations.*

In the processes of integration as the most important factor in the business and entrepreneurial environment, which ensures an increase in the investment activity of small businesses and their development in accordance with the long-term priority areas for the development of the country's economy, scientific research is carried out consistently on the importance of small businesses and private entrepreneurship in ensuring socio-economic development and stability.

In the process of large-scale reforms implemented in our country, special attention is paid to integration processes, taking into account the experience of the countries of the world in the field of socio-economic development of small businesses, ensuring their stable economic development and increasing their investment activity.

It should be noted here that attracting investments is the main tool for the process of globalization and economic integration, increasing the investment activity of business entities in the context of global competition in a free market economy is an objective necessity. Also, in order to cover the deficit of financial resources among business entities, it is necessary to bring the attractiveness of a favorable investment environment in line with the requirements of a market economy in order to attract investment. Investment attractiveness is determined by a combination of factors that create opportunities and incentives for investors to invest in production and expand their activities. These factors include: a set of factors of social, economic, legal and innovative potential.

There are various methodological approaches and scientific views on the assessment of the investment potential of business entities and its attractiveness in increasing the investment activity of business entities[1]. With this in mind, the assessment of their relative merits for attracting foreign and domestic

investment to ensure the socio-economic development of the regions of the country and its territories is an important methodological aspect of this research work.

Economist E. Abramov in his study recommends using indicators such as the level of development of the economy and infrastructure, financial resources, the demographic situation, the development of market relations, the level of investment activity when calculating the level of investment attractiveness of regions[2].

It can be noted that economists, including Bereznev, Sheveleva, Nachevalavas, gave scientific conclusions on the assessment of the investment potential for six groups of factors (natural resource, production, financial, infrastructure, innovation, social) in increasing the investment activity of small businesses[3].

According to one of the economists of our country T. Akhmedov and Sh. Otaboeva, the natural economic power of the region (city) can be divided into 13 groups (economic potential, social potential, budgetary potential, entrepreneurial potential, investment potential, infrastructure potential, entrepreneurial potential, mineral resource potential, land resources, water resources, demographic and labor potential, tourism potential, innovation potential, geographic location and climate), it is advisable to separate, evaluate and analyze[4].

According to the approach of Professor A. Sodikov, the investment potential of a particular region is determined by its natural resources, production, consumption, infrastructure, innovation, labor, institutional and financial potential[5]. According to his research, it is possible to achieve the expected effect from attracting capital and direct it to the rapid development of the economy only taking into account the natural, economic, demographic, environmental and other conditions of the region. Investment potential can be defined at the country, region or enterprise level.

According to Professor Sh. Mustafakulov, the investment potential of the regions can be interpreted as divided into 9 factors (natural resource potential, production potential, innovation potential, labor potential, financial strength, institutional potential, infrastructure potential, consumer potential, tourism potential) [6].

Implementation of market mechanisms for the development of investment activities in the context of economic integration, strengthening the role of investment funds in the development of the securities market, improving the scientific and methodological foundations for increasing the attractiveness of the investment environment, generalizing the main forms of cooperative relations between small businesses and large enterprises, and most of them in small forms economic management, conducting scientific research in the direction of investment is still relevant.

Professor N.G. Karimov conducted research on creating a new enterprise inside and outside the field, modernizing existing enterprises in the regions, mastering the latest equipment and technologies, and raising the level of production.

Researcher D.S. Almatova investigated the issues of identifying problems related to the development of investment and innovation activities of business entities in the regions, substantiating ways to solve them, and their development.

In the context of the modernization of the national economy, the territorial features of investment activity in Uzbekistan and the issues of increasing the role of management structures (at the regional, district and city levels), comprehensive measures are being taken to stimulate the investment activity of small

businesses (in particular, in the direction of innovation), the development of investment funds and in this regard, the issues of creative use of foreign experience are separate, as well as the development of targeted programs to increase investment activity, issues of decision by additionally authorized bodies and implementation of projects at the level of economic resource management were not studied as an object of independent scientific research. The reason for choosing this topic was the fact that this scientific problem has not been sufficiently studied in the economic literature and has scientific and practical significance.

In most modern scientific sources, the investment potential is expressed in the fact that it is multifactorial and diverse in content. In this scientific and theoretical literature, investment potential is mainly the sum of investment resources, natural resources, production, consumption, infrastructure, innovative, labor, institutional, financial potential, economic and geographical conditions, living standards and mentality of the population, their consumer demand, market attractiveness, it is presented in the form of a combination of such factors as the legislative framework, the efficiency of the work of state bodies.

The fact that all spheres of public and state life are developing rapidly requires reforms based on modern innovative technologies that ensure the rapid and high-quality progress of our country on the path of becoming one of the leaders of world civilization.

Law of the President of the Republic of Uzbekistan "On investments and investment activities" No. O'RQ-598 dated December 25, 2019 to regulate relations in the field of investments and investment activities carried out by local investors in Uzbekistan, to improve the investment environment, and to create the necessary conditions for increasing efficiency investment activities are given special attention. This, in turn, indicates the relevance of studying the factors influencing the increase in investment activity, determining the importance of their significance.

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