



# THEORETICAL AND METHODOLOGICAL BASES OF MANAGEMENT OF INVESTMENT PROJECTS IN ENTERPRISES

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<b>Received:</b> 11 <sup>th</sup> July 2022 <b>Accepted:</b> 11 <sup>th</sup> August 2022 <b>Published:</b> 26 <sup>th</sup> September 2022	In this article, the scientific-theoretical and methodological aspects of the evaluation and effective management of investment projects are studied. Also, the economic indicators of the light industry enterprises of the Republic of Uzbekistan are analyzed and the advantages of using project management principles in the implementation of new investment projects are shown.
<b>Keywords:</b> investment, project management, economic growth, analysis, efficiency.	

## INTRODUCTION

The economic reforms carried out in our country are aimed at increasing the living standard of the population and increasing the national wealth by increasing the volume of exports. Against the background of the events taking place all over the world, the competition for economic resources is increasing day by day. Under such conditions, we are convinced that the path chosen by our head of the state to transform our national economy from the stage of exporting raw materials to an industrial state producing finished products is correct.

In Uzbekistan, great attention is being paid to the rapid development of the entire economic complex, including turning the light industry into one of the leading sectors of the economy. Decree No. PF-60 of the President of the Republic of Uzbekistan dated January 28, 2022 "On the development strategy of the new Uzbekistan for 2022-2026" envisages the development of all sectors of the economy, including the light industry, and the increase in production. In part 3 of Annex 1 of this Decree, in order to further improve the investment environment in Uzbekistan and increase its attractiveness - a number of strategic goals have been set, such as to double the production volume of the textile industry, to triple the production volume through the development of the leather-footwear industry, which is aimed up to 120 billion US dollars in the next five years, moreover including to attract 70 billion dollars of foreign investments<sup>1</sup>. Of course, by implementing these tasks, the size of our national economy will expand, and the level of well-being will be increased. This, in turn, leads to the opening of many new enterprises and the creation of additional jobs.

It is important to use the advanced foreign experience of project management and to develop the most optimal options for investment projects in increasing the efficiency of these projects. Ensuring the execution of the above-mentioned tasks on time and achieving certain results, creates the need to provide scientific conclusions based on precise economic and mathematical analyses.

Effective management of investment projects in the establishment of light industrial enterprises, scientific justification of reduction of state intervention by following the laws and principles of market economy shows the relevance of the topic.

## LITERATURE REVIEW

Profit maximization through the assessment and efficient management of investment projects is the object of research of a number of foreign and local economists and scientific researchers. A number of questions and problems arise in the analysis of this topic, as a result of which the topic remains relevant to this day.

When implementing new projects, it would be appropriate to use Russian economist N. Kondratev's "Long Wave Theory" first in analysis in terms of time and circumstances. In addition, based on the country's economic situation, we analyze the impact of technological tools on the development of projects, their implementation (technology push) and the analysis of the means of economic depression (depression trigger) by using innovative solutions for projects in the scientific works of G. Mensh on the effectiveness of project management. .

<sup>1</sup> Decree of the President of the Republic of Uzbekistan dated January 28, 2022 "On the development strategy of the new Uzbekistan for 2022-2026" No. PF-60

Foreign scholars as G. Mensch<sup>2</sup>, V. Sheper, G. Markovits<sup>3</sup>, Dj. B. Williams<sup>4</sup> and L. Abalkin, A. D. Sheremet, M. A. Nikolaev<sup>5</sup>, E. Usman, M. Scientists and as well as, economists of the CIS countries, such as Yu. Makovetsky, conducted scientific research on the role of investments in the development of the economy and the effectiveness of innovative projects. Scientific works of these scientists and other economic researchers covered the composition, structure of investments, innovative solutions in investment management and other important issues. In our scientific research, we analyze the theoretical and practical results obtained from scientific works, which makes us find effective solutions in the management of investment projects.

Among the economists of Uzbekistan O.T.Astanakulov, R.D.Dusmurov, M.K.Pardaev, A.A.Karimov, A.U.Burkhanov<sup>6</sup>, B.K.Tukhliov<sup>7</sup>, O.I.Ochilov and others conducted research on some areas of account of investments, analysis and audit.

In these scientific works, scientific researches were carried out on the economic content of investments, their accounting and analysis. Despite the fact that the financing of investment projects is always an important object of research, and various scientists give their scientific views, conclusions and proposals on this issue, as a result of the adopted regulatory and legal documents, the economic policy of the state and the strategic tasks determined by the state, new questions that need to be researched in the field will appear.

Based on the strategy of economic and social development of New Uzbekistan, attracting investments, risks arising in the effective management of investment projects, and continuous analysis of the effectiveness of these projects in the future will make it easier to achieve the intended goal.

From this point of view, scientific work on investments and financing, as well as project management, cannot be a perfect scientific solution for today's tasks.

Today, in a situation where it is difficult to predict interstate economic relations in advance, the scientific research conducted on the management of existing investment projects and the selection of their optimal options is insufficient to assess the impact of current economic reforms.

**RESEARCH METHODOLOGY:** in this scientific article mathematical and statistical analysis methods as induction, deduction, grouping, comparison and others are used.

**ANALYSIS AND RESULTS**

A number of regulatory legal documents are being adopted by the government to increase the investment potential of the Republic of Uzbekistan. In particular, the Presidential Decree No. PQ-4453 "On Measures to Promote the Further Development of Light Industry and the Production of Finished Products" adopted on September 16, 2019 will lead to the opening of many new production facilities in the field of light industry, the creation of job and causing the creation of additional value through the processing of raw materials at home.

As a result of the economic reforms carried out in our country, it was possible to create capacities for processing more than 80 percent of cotton fiber and more than 45 percent of yarn, as well as to increase the export volume of finished products to 1.6 billion US dollars in 2018<sup>8</sup>. In the following years, it is planned to organize new production facilities in the industry, to localize all processes from raw materials to the development of finished products, without limiting ourselves to this achievement.

**Table 1**  
**Growth rates of production volume in light industries (in percent)<sup>9</sup>.**

№	Indicators	2013	2014	2015	2016	2017	2018	2019	2020	2021
1	Production of textile products	15,9	15,9	16,9	14,6	13,9	13,1	11,8	12,0	13,8

<sup>2</sup> Mensch G. Stalemate in Technology: Innovation Overcome the Depression. Cambridge (Mass.), 1979. – 247 p.

<sup>3</sup> Portfolio Selection. Harry Markowitz. The Journal of Finance, Vol. 7, No. 1. (Mar., 1952), pp. 77-91.

<sup>4</sup> The Theory of Investment Value. Front Cover. John Burr Williams. Harvard University Press, 1938 - Investments - 613 pages

<sup>5</sup> Nikolaev M. A., Malyshev D. P. Methodology for constructing a mechanism for managing investment activity in the region // Bulletin of the Pskov State University. Series "Economic and technical sciences". - 2014. - No. 4. - P. 3–17.

<sup>6</sup> A.U.Burkhanov. The main factors affecting the financial stability of industrial enterprises // Economics and Finance 2009 February No. 2

<sup>7</sup> B.K. Tukhliov. Analysis of sources of financial support for the implementation of investment activities, "Economy and innovative technologies" scientific electronic magazine, 2019 issue No. 1

<sup>8</sup> Resolution PQ-4453 of the President of the Republic of Uzbekistan dated September 16, 2019 "On measures to promote the further development of light industry and the production of finished products"

<sup>9</sup> <https://stat.uz/uz/rasmiy-statistika/industry-2> (prepared by the author based on information from the official website of the Statistical Committee of the Republic of Uzbekistan)

2	Clothing production	2,1	1,9	2,0	4,7	5,1	4,1	3,6	3,4	3,6
3	Production of leather and related products	0,6	0,8	1,0	1,1	1,2	0,9	0,6	0,5	0,6

Table 1 shows the dynamics of the growth rate of the production volume in the light industry sector, and we can see that the production volume is increasing year by year. In particular, the volume of production of textile products is higher than the general economic growth.

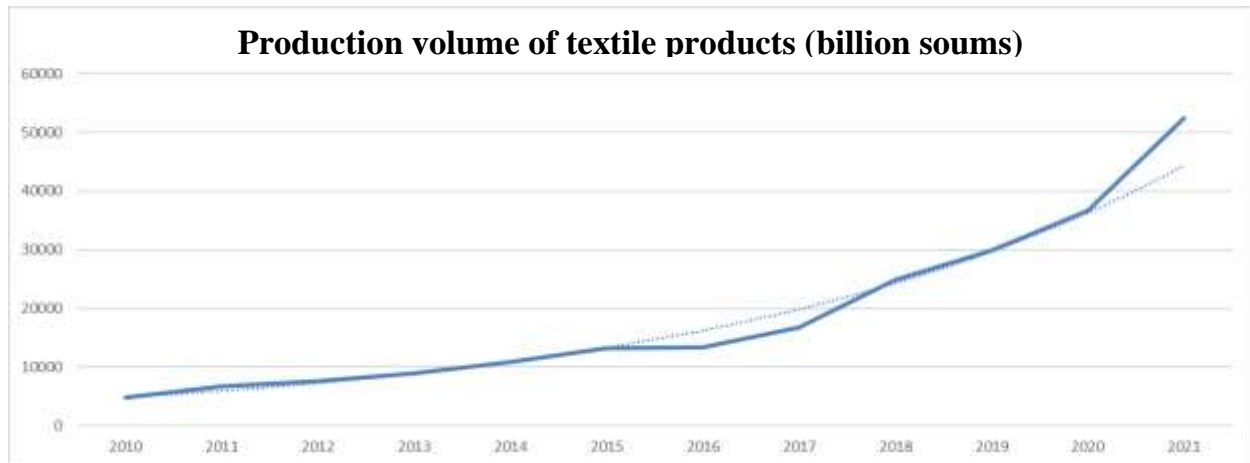


Figure 1. Dynamics of production volume of textile products<sup>10</sup>.

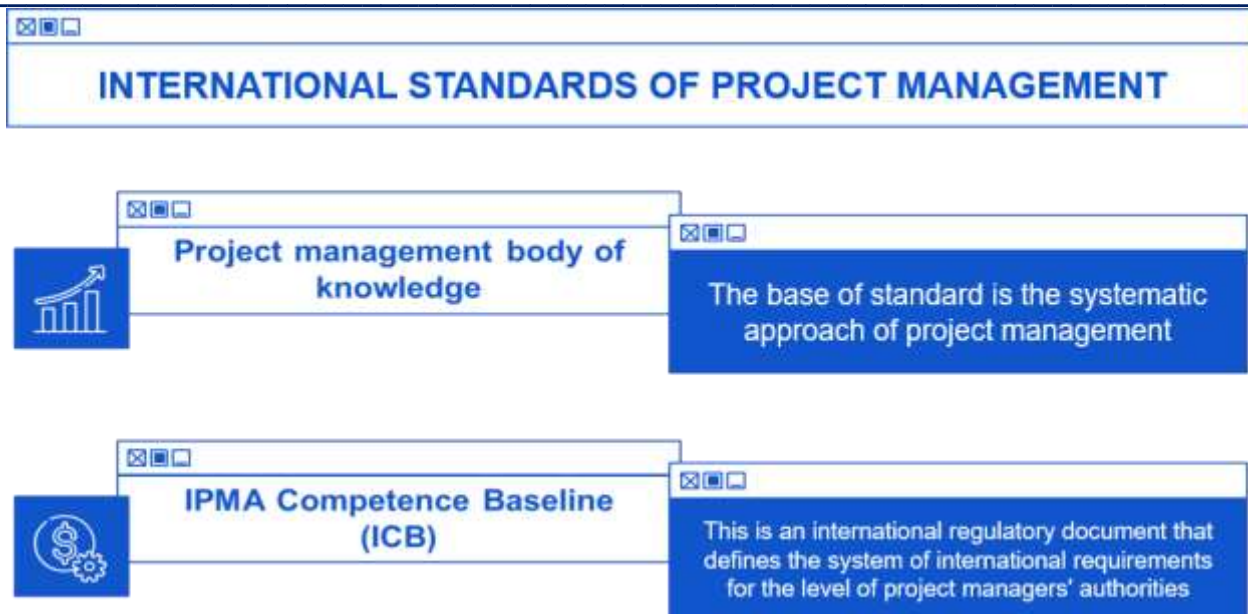
As we can see in figure 1, the volume of production of textile products is continuously increasing as a result of the effective economic reforms being adopted. The volume of production of textile products was analyzed on the basis of the indicators of 2010-2021 based on the available statistical data, and it is recommended to use the following empirical formula to forecast the growth of the volume of production:

$$y = 3987,5e^{0,2008x} \tag{1}$$

The coefficient of determination of this formula is equal to  $R^2=0.9805$ , which shows that the influence of the time factor on the production volume of textile products is equal to 98.05%. It can be seen that the field of production of textile products is one of the promising (hopeful) fields in the conditions of Uzbekistan. This, in turn, shows that investment in this area can pay off.

But in order to develop and effectively manage investment projects, it is necessary to constantly monitor the project and make the necessary changes in time.

<sup>10</sup> <https://stat.uz/uz/rasmiy-statistika/industry-2> (prepared by the author based on information from the official website of the Statistical Committee of the Republic of Uzbekistan)



**Figure 2. International standards of project management<sup>11</sup>.**

Figure 2 shows the most important standards among the analyzed international ones for evaluating the efficiency of investment projects. These international standards are used in the development, implementation and effective management of investment projects for light industrial enterprises. As a result, we can ensure the implementation of state programs for the development of the industry, efficient and targeted use of invested capital, and optimization of costs.

In our research, analyzing the methods of effective management of investment projects designed for the further development of light industry, adapting them to the use of our local enterprises serves to eliminate the existing shortcomings.

#### **CONCLUSIONS AND SUGGESTIONS**

As a conclusion, it can be said that as a result of applying modern solutions in the development of the country's economy through investment projects, it is possible to manage investment projects effectively and further develop of a light industrial system with high development prospects.

In turn, as a result of the development of a systematic management strategy of investment projects, the new approach is integrated into the strategic management of the enterprise or organization. This serves to direct investment capital, its correct use and reduce excess costs.

Based on the above, the following is proposed to systematically analyze the activities of light industrial enterprises of the Republic of Uzbekistan, to attract investments to increase production volumes, and to increase the efficiency of investment project management:

- study of international experience and implementation of scientific methods that serve the development of our national economy
- improving the tax administration for the return of investment capital invested in newly established enterprises and profitability
- putting into practice the system of appointing managers and evaluating their activities in the implementation of investment projects.

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