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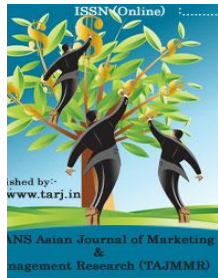
A STUDY ON LIQUIDITY RISK MANAGEMENT OF SELECTED COMMERCIAL AND PRIVATE BANKS IN INDIA

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ABSTRACT

The study aims to know the financial performance is analyze using ROA, ROE, ROAA and ROAE. The study on financial performance , liquidity risk management and impact of liquidity risk in both top line and bottom line for selected commercial and private banks in India using e-view software & to know the performance of Indian banks during demonetization and how it has effect the financial performances of banks .The banks need to control and closely monitor the NPL in order to reduce the NPLR with the purpose for better performance of the banks and there is a timely need for the management of the commercial & private banks to maintain their liquidity gap at a safe level in order to avoid the negative impact on the performance of the banks. The risk on bottom line is effect by having low net income earned by banks .The top line performance is effected by more non performing ratio in banks because ROA , ROAE and ROE is showing significant to NPL with P value less than 5 % .

KEYWORDS: *Roa, Roaa, Roe, Roae, Nim , Ni,Npl, Crta & Dta .*

1. INTRODUCTION

Liquidity is a bank's capacity to improve the fund in assets and meet both expected and unexpected cash and collateral obligations at reasonable cost and without incurring unacceptable losses. Liquidity risk is the insufficient of a bank performances to meet such obligations as they become due, without adversely affecting the bank's financial condition.

A Bank is said to be solvent when the turnover/ performances   is low to meets its liabilities. To put it differently, a bank is solvent if the total value of its assets is more than its liabilities (i.e. other than it's equity/owned funds).

 The banks need to stay both solvent and liquid therefore, makes effective liquidity management crucial for increasing the profitability as also the long-term viability/solvency of a bank. The banks shows the importance of having the best Liquid Risk Management practices in place in Banks.

Commercial banks form an important part of the country's Financial Institution System. Commercial Banks are those profit making institutions which accept deposits from general public and gives money (loan) to individuals like household, entrepreneurs, businessmen etc. The prime objective of these banks is to earn profit in the form of interest, commission etc. The operations of all these commercial banks are regulated by the Reserve Bank of India, which is the central bank and supreme financial authority in India.

Liquidity Risk Management Of Indian Banks :

The liquidity risk of banks arises from funding of long term assets by short – term liabilities , thereby marking the liabilities subject to control the financing risk .Liquidity risk is usually of an individual nature , but in certain situations may compromise the liquidity of the financial system. As in all situations that is very dependent on the individual characteristics of each financial institution, defining the liquidity policy is the primary responsibility of each bank, in terms of the way it operates and its specialization. The liquidity risk is closely linked to other dimensions of the financial structure of the financial institution like the interest rate , market risks, its profitability, and solvency. The interest rate risk that results from mismatches of maturities or the dates for interest rate adjustments may appear as either market so, it will operates to transform maturities, subject to these risks, the bank collects a yield that is related to its profitability.

2. LITERATURE REVIEW

Mohamad AnuarMd Amin, NurAzuraSanusi, SuhalKusairi, Zuhura Mohamed Abdallah (2014 Volume 11, Issue 4,Investment Management and Financial Innovations) This study aims to examine the simultaneous influence of the financial risks and financial performance of commercial banks in Tanzania. The financial performance under consideration is ROA and ROE, while financial risk is the average of financial risks. The study uses the instrumental variable regression of fixed effect to solve simultaneous equations by 2-stage least squares. The results show that all variables are significant to financial risk except GDP growth when both ROA and ROE are applied. **R. M. R. Madhuwanthi and P. S. Morawakage (2019 42(1)Sri Lanka Journal of Social Sciences)** the impact of liquidity risk on the performance of commercial

banks in Sri Lanka 2006 to 2016. The objective of this study is to know the significant liquidity risk factors and the impact of them on both top line and bottom line performance level of commercial banks. Researchers find that liquidity gap and NPLR are the significant proxies for liquidity risk. Multiple regression analysis reveals the liquidity risk is negatively and significantly affects bottom lines ROAA and ROAE, whilst positively affects the top line Net Interest Margin (NIM) of the commercial banks. The findings of this study to suggest that expenses of the banks should be controlled with better liquidity management to enhance bottom line performances. **Yi-Kai Chen ,Chung-Hua Shen,Lanfeng Kao and Chuan-Yi Yeh(2018 Vol. 21, No. 1 Review of Pacific Basin Financial Markets and Policies)**This study shows over the period 1994–2006 and Dependence on liquid assets for external funding, supervisory and regulatory factors, and macroeconomic factors are all determinants of liquidity risk. Because of higher funding costs for obtaining liquidity, liquidity risk is regarded as a discount for bank portability, yet liquidity risk shows a premium on bank performance in terms of banks' net interest margins. This study sets up subsamples into a bank-based or market-based system and know the difference of the determinants of liquidity risk in different financial systems. The results shows effect on bank liquidity risk in the two financial systems.**Tu T. T. Tran , Yen T. Nguyen Thuy T.H. Nguyen and Long Tranm(2019 Volume 14, Issue 1, Banks and Bank Systems)**This research identifies factors that explain the liquidity of commercial banks in the Vietnam banking system from 2010 to 2015. Using the OLS regression method for analysis, it was found that The interbank market helps commercial banks improve their liquidity.The larger the loan size, the higher the liquidity risk. Good credit risk management has a positive impact on liquidity risk management and long-term interest rate is negatively related to the liquidity of commercial banks.The research also makes recommendations on liquidity risk management policies to banks and policy-makers from the Government and the State Bank of Vietnam. The finding is expected to help policy-makers in regulating bank liquidity in Vietnam by facilitating the control of the long-term lending rate. **PavlaVodová(2011 ,INTERNATIONAL JOURNAL OF MATHEMATICAL MODELS AND METHODS IN APPLIED SCIENCES)** The aim of this paper is to identify determinants of liquidity of Czech commercial banks from 2001 to 2009. The results of panel data regression analysis showed that there is a positive show between the bank liquidity and capital adequacy, share of NPL and interest rates on loans and on interbank transaction. The result found negative influence of inflation rate, business cycle and financial crisis on liquidity. According to findings, the relation between size of banks and their liquidity is ambiguous. Bank liquidity increases with higher capital adequacy, higher interest rates on loans, higher share of non-performing loans and higher interest rate on interbank transaction.**Ali Sulieman Alshatti(2014 Vol. 10, No. 1 ,International Journal of Business and Management)**This research seeks to investigate the effect of the liquidity management on profitability in the Jordanian commercial banks during the time period (2005–2012). 13 banks have been chosen to express on the whole Jordanian commercial banks. The liquidity indicators are investment ratio, Quick ratio, capital ratio, net credit facilities/ total assets and liquid assets ratio, while return on equity ROE and ROA were the proxies for profitability. Augmented Dickey Fuller (ADF) stationary test model was used to test for a unit root in a time series of the research variables and then testing hypothesis by using regression analysis. The empirical results show that a positive effect of the increase in the quick ratio and the investment ratio of the

available funds on the profitability, while there is a negative effect of the capital ratio and the liquid assets ratio on the profitability of the Jordanian commercial banks. the liquidity management on profitability in the Jordanian commercial banks as measured by ROE or ROA, where the effect of the investment ratio and quick ratios on the profitability is positive when measured by ROE, and the effect of capital ratio on profitability is positive as measured by ROA, and the effect of the other independent variables on the 2 measures of profitability (ROE and ROA) is negative, the researcher thinks that this negative effect is due to the increased volume of untapped deposits at the Jordanian commercial banks. **Jane Gathigia Muriithi1 & Kennedy MunyuaWaweru(2017,International Journal of Economics and Finance)**The focus of this study was to examine the effect of liquidity risk on financial performance of commercial banks in Kenya from year 2005 and 2014 for all the 43 registered commercial banks in Kenya. Liquidity risk was measured by liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) while financial performance by return on equity (ROE). Panel data techniques of random effects estimation and GMM were used to purge time-invariant unobserved firm specific effects and to endogeneity problems. The results show a positive and significant relationship between bank capital and liquidity, consistent with the literature that bank capital increases bank liquidity through its ability to absorb risk. The negative and significant relationship between the profitability as measured by the ROA and liquidity implies either an increase in the costs incurred by these banks or by an increase in loan losses

Abderrahim Boussanni,   Jean Desrochers and Jacques Préfontaine(July, 2017, International Business & Economics Research Journal) The study the interest for the factors that influence the level of liquidity risk are complex, and The results of the study are based on an in-depth content analysis of the Annual reports (2004) published by 21 of Western Europe's largest financial groups using the liquidity risk management factors proposed by the Basel Committee on Banking Supervision and its Joint Forum (2003, 2006). The results of revealed a wide disparity in the level and extent of liquidity risk financial disclosures between financial groups from the same or different European countries. For most of the ten KLFs, the scores obtained on the level and extent of qualitative discussions were higher than those relating to quantitative illustrations of the same KLF. **Ahmad Badawi(2017,European Journal of Business and Management)**The study show they are 7 risks contained in the banking liquidity risk, credit risk, market risk, operational risk, strategic risk, legal risk and reputation risk. The study aims to examine the effect of credit risk, liquidity risk and market risk on the profitability of foreign exchange banks in Indonesia. This study is all banking shares included in the category of private foreign exchange public banks listed in Indonesia Stock Exchange (IDX) and sample obtained by using purposive sampling to get qualified research data. Analysis of data in this study using SPSS 21 software. The study is the bigger variable of problem loans that is reflected by the NPL value, the smaller the credit that can be channeled the bank to the community considering the credit risk arising. NPL is a loss of opportunity to earn (income) from the credit provided and reducing the profit. The ratio of LDR is the ratio between the amount of funds disbursed to the community (credit) with the amount of 3rd party funds. **Angela Romana and Alina Camelia Sargu(2015,Procedia Economics and Finance)** The aim of the paper is to analyse a significant issue that needs to be tackled when promoting financial stability, more exactly the determinants of the liquidity risk of a sample of banks operating in a series of CEE

countries at the same time the progresses made in certain key areas and the remaining challenges. The bank specific factors over the period 2004-2011 and examined them using an OLS regression analysis. The results of research shows the negative impact that the depreciation of the loans portfolio had on the overall liquidity of the analysed banks. The study this between the efficiency of the banks operating in CEE countries and their overall liquidity level in a future research. Hence, in order to underline the robustness of the obtained results it is recommended to employ both a parametric and non-parametric analysis to estimate the efficiency of the banks.

All above literature's gives reviews on liquidity risk of only selected commercial banks of the countries. There have only focus on liquidity risk not on the impact of liquidity risk on financial performance of the banks. Here, the study focuses on both private and commercial banks in India from 2014 to 2019. The study also invest get about demonetization impact on the banks in India .

Research Gap:

The research focus on the data from 2014 to 2019. For the research we have selected 7 private and 13 public Banks . We have used fixed effect model, Robust least square and Random effect model for estimating the data . The research can focus on other macro variables, share or markets price , private banks can be include .It may provide deep study on liquidity risk managements for banks.

3. PROBLEM STATEMENT

Aims: To Analyze financial risk management of selected commercial and private banks in India from 2014 to 2019.

Objectives:

Objective No.	Statement of the Objective	Method/ Methodology	Resources Utilised
1	To analyze financial performance of 20 banks in India(2014-2019).	1. Descriptive statistics	E- views .
2	To identify the significant liquidity risk factors which affect the banks performances.	1. HAUSMAN TEST using E- views . 2. Fixed effect model .	E- views .
3	To analyze the impact from liquidity risk factors on bottom the banks performance indicators of banks.	1.Fixed effect model using E- views . 2.Fixed effect model using e –views	E- views software

| 4 | To analyze the impact from liquidity risk factors on top the banks performance indicators of banks. | 1. Robust least square method (M setting).
2. Fixed effect model using E views. | E- views software |

4 .PROBLEM SLOVING

Methodology

Sample Data:

The study is used secondary data of 20 banks in India. There are 119 observation of unbalanced panel data . The Banks performance is analysis using the variables: Return On Assets , Return On Equity , Net Income and Net Interest Margin (ROA, ROE ,NI and NIM) . The liquidity risk is analysis using Return On Average Assets , Return On Average Equity , Cash &Reserves to Total Asset , Deposit to Total Asset and Non Performing Ratio Loan (ROAA,CRTA , DTA , NPL(in ratio) and ROAE . Fixed effect and Random effect model are used to analysis the Bank performance and liquidity risk .Using Hausman test in order to choose relevant model as fixed effect or random effect . The data is collected from 2014 to 2019 because there were rapid change in 2016 8th November due to demonetization Indian banks .It helps to increase deposit fund, demand for government bonds , decrease the interest rate for lending, helps in creating accounts in public sector by new scheme, cashless/ digital India, decrease in credit growth in nationalised banks .

Research Model

The research test the fixed effect model using ROAA as dependent variable. The secondary data is analysis for 6 years (2014-2019).The Hausamtest for Randam effect , the probability value of chi square for ROAA are less than 5% so the test fit the model. ROAA ,CRTA , NIM ROAE NPL are less than 5% its positive effect that the Bank is performing profitable because NPL p value is 0.0011 and t- test is -3.370953, ROAA p vale is 0.0000 and t- test is 9.108621 , ROAE p value 0.0000 and t- test is 12.14722 and NIM P value is 0.0021 and t- test is 3.162671 , CRTA p value 0.0034 and t – test is 3.007002. DTA p value is 0.1528 and t- test is -1441719, ROA p vale is 0.8444 and t- test is 0.196848 , ROE p value 0.9762 and t- test is –0.029863and NI P value is 0.9518 and t- test is 0.060676.The chi square is 46.299895 so this equation fits the model.

Return on Average Assets (ROAA) and Return on Average Equity (ROAE) are derived from net profit after all the expenses incurred in running the business including overhead expenses are excluded. Therefore, ROAA and ROAE are the bottom line performance indicators of the company. We are using least square method to analysis the factor for this study.

Method of Data Analysis Researchers run the panel Least Square (LS & AR) estimation technique using Econometrics Views.

Model specification:

- ROA = Return on Assets (Net Income / Total Assets)
- ROE=Return on Equity (Net Income /Shareholders Equity)
- ROAA=Return on Average Asset (Net Income/ Average assets)
- ROAE=Return on Average Equity(Net Income / Average Shareholders Equity)
- CRTA= Cash Reserve to Total Assets (Cash Reserve / Total Assets)
- DTA= Deposits to Total Asset (Deposits /Total assets)
- NI= Net profit / Income
- NIM= Net Interest Margin
- NPL = non performing loan ratio (%)

4.1 To analyze the financial performance of selected banks in India (2014-2019).

The Table 1. Show the mean of ROAA, NI & NIM is positive with negative sign of ROAE so we can analysis the banks are having low performance during selected years. But ROAE is negative so we can analysis the banks which are selected has low financial leverage in all the banks. Standard deviation of DTA is higher compare to CRTA& NPL because there was demonetization on 2016 so there was macro variables effects on banks performances. There were high rate of depositors during end of 2016 to 2017.

4.2 To identify the significant liquidity risk factors which affect the banks performances using Fixed effect model for ROAA

Fixed effect model(ROAA)

The equation in table 2.1 fits with the fixed effect model significant less than 5% .The ROAA is dependent variable and the 5 variables significant less than 5 % . ROAA P value 0.0000 and t test is 9.108621 , CRTA p value 0.0034 and t test is 3.007002 , NIM p value 0.0021 and t test is 3.162671 , ROAE p vale 0.0000 and t test is 12.14722 and NPL p value is 0.0011 and t test is -3.37053. The result estimate that the variable fit the fixed effect model by having probability less than 5 % and the R square is 0 .970235.Fixed effect model for ROAA show that less probability towards DTA , NI ROA & ROE because there were more deposit in FY 2016 to FY 2018 so the banks reduce interest rate on deposit and also lending rate was low after demonetization .The Hausman test have probability is less than 5% null hypnosis can be reject and select the fixed effect model than random effect model.

4.3 To analyze the impact from liquidity risk factors on bottom line performance indicators of banks (Robust least square for NI& Fixed effect for ROAE& ROAA) 2015-2019.

The equation in table 3.1 fits with the fixed effect model significant less than 5% .The ROAA is dependent variable and the 4 variables significant less than 5 % . ROAA P value 0.0000 and t test is 6.743963, CRTA p value 0.0002 and t test is 3.883393 , NIM p value 0.0002 and t test is 3.910262 , ROAE p vale 0.0000 and t test is 13.08511 and NPL p value is 0.0003 and t test is -3.748624 so the NPL have negative impact on ROAA which means the liquidity risk on bottom line have negative impact by NPL. When we compare both the result the random effect model is more efficient having 97% and more effective by fitting the model . The ROAE has p value

of 0.0001 and t test is 4.226328 so it significant less than 5% so the banks is working profitability**.** The ROAA for Random effect model show the effect of variables for common value not in time. So ROAA performance is (R square) 60%, NI is 75% and ROAE is 78%. The risk is more in ROAA so the Banks have to maintain more return on assets to recovery their liabilities. The bottom line is effect by the risk in DTA , ROA and ROE because the p value is more than 5%.The ROAE has p value of 0.0000 and t test is -5.887206 so it significant less than 5% so the banks is not working in profitability **.** The ROAA & ROAE for fixed effect model show the effect show the variables does not affect over the time. So ROAA performance is (R square) 97%, NI is 75% and ROAE is 78%. The risk is more in ROAE because the NIM & CRTA have negative impact on ROAE so the Banks have to maintain more return on assets to recovery their liabilities. The bottom line is effect by the risk in DTA, ROA and ROE because the p value is more than 5%.The NI is affect by ROAE & ROE by significant less than 5% and NPL have negative impact on NI . The bottom line has higher rate of liquidity risk because the performance of ROAA, ROAE and NI are not more significant because NPL , NIM & CRTA are impacting negative on the performance of Banks .

4.4 To analyze the impact from liquidity risk factors on top line the banks performance indicators of banks (NIM &NPL)

The NI performance is good but top line performances is effect by the low performance in return on assets and return on average assets because the p value is more than 5%.NPL is more so banks have to reduce their non performance assets by recovery the loans by customers. The banks have to improve their asset performances to have stable profit. The NPL is more than NIM it will effect bank financial performances and the assets should be more to balances the non performing assets.

5. FINDINGS AND RECOMMENDATIONS

 The data is collected from 2014 to 2019 because there were rapid change in 2016 8th November due to demonetization in Indian banks .It helps to increase deposit fund, demand for government bonds , decrease the interest rate for lending, helps in creating accounts in public sector by new scheme, cashless/ digital India, decrease in credit growth in nationalised banks. The banks should focus on recovering the non performing assets/loans from customers to control losses in ROAA . The banks should also improve their ROAE to get investors for their shares . We have used fixed effect model for bottom and top line to analysis the liquidity risk but the fixed effect model give result of in value of time not over the time value as in random effect model. The top line performance is effected by more non performing ratio in banks because ROA , ROAE and ROE is showing significant to NPL with P value less than 5 % . The researcher can extend the variables like IR Investment Ratio, Net credit facilities / Total deposits, CR Capital ratio Capital / Total assets, LR Liquid ratio Acid liquid assets / Total assets,QR Quick-Acid ratio Current assets - Inventory / Current liabilities and also increase number of private banks with numbers of years . It will help to understand liquidity risk managements in Banks .

6. CONCLUSIONS

Using panel data of 13 commercial and 7 private banks in India from 2014 to 2019 the researchers find that Non-Performing Loan Ratio is the most significant liquidity risk factor which affects all the performance indicators of the banks. Liquidity is necessary for banks to compensate for expected and unexpected balance sheet fluctuations and to provide funds for growth. Liquidity represents a banks' ability to efficiently accommodate the redemption of deposits and other liabilities and to fund increases in loan and investment portfolios. The DTA is more due to more deposits in the year 2016-2018 because of demonization. This show low financial leverage in selected banks and also lead to low financial performance in banks . The study can also focus on macro variable to better understand for banks performances(GDP & inflation rate).The study can also use market liquidity risk to analysis liquidity risk management of banks in India.

There is high liquidity risk which effecting the performance of the banks in selected periods (2014-2019).The net profit is effected by the risk occurred in demonization because there were more deposits than investment in banks and also banks reduced interest rate on deposits from customers. The risk on bottom line is effect by having low net income earned by banks .The top line performance is effected by more non performing ratio in banks because ROA , ROAE and ROE is showing significant to NPL with P value less than 5 % .

The banks need to control and closely monitor the non-performing loans in order to reduce the NPLR with the purpose of achieving better performance of the banks and there is a timely need for the management of the commercial & private banks to maintain their liquidity gap at a safe level in order to avoid the negative impact on the performance of the banks. The banks have to maintain proper attention to reduce their recovering and other overhead costs relating to their main banking businesses in order to strike an equal balance between liquidity and both top line and bottom line performances of the banks.

This study concentrates only on the funding liquidity risk and does not consider the market liquidity risk so the future study can be conducted on market price for the shares of banks to analysis on financial performances of banks and also use another over head for deep study on liquidity risk management.

CONFLICT OF INTEREST: There is no conflict of interest in this research paper.

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9. APPENDIX

9.1 Descriptive Statistics

TABLE 1.1:

View Proc Object Print Name Freeze Sample Sheet Stats Spec							
	ROAA	ROAE	NI	NIM	CRTA	DTA	NPL___
Mean	2.388011	-3.711484	9592.607	2.000278	2.444086	64.53038	3.488889
Median	0.004465	0.497245	632.5300	2.345000	0.057336	0.862665	2.000000
Maximum	326.6573	15.89005	1246298.	14.26000	51.19480	5348.619	16.00000
Minimum	-1.737590	-936.4202	-8294.270	-27.05000	0.000265	0.007620	0.000000
Std. Dev.	24.39288	69.99461	93025.48	4.284811	7.447052	409.3416	3.051676
Skewness	13.16257	-13.25454	13.16471	-3.539844	4.081864	12.10339	1.245054
Kurtosis	175.4451	177.1302	175.4808	22.77392	20.74107	156.0704	4.219349
Jarque-Bera	228227.5	232680.5	228321.5	3308.473	2860.441	180123.8	57.65589
Probability	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	429.8420	-668.0671	1726669.	360.0500	439.9355	11615.47	628.0000
Sum Sq. Dev.	106507.2	876965.0	1.55E+12	3286.369	9927.087	29993335	1666.978
Observations	180	180	180	180	180	180	180

9.2 FIXED EFFECT MODEL OF ROAA (2014-2019)

TABLE 2.1:

Cross-section random effects test equation:
Dependent Variable: ROAA
Method: Panel Least Squares
Date: 02/22/20   Time: 22:54
Sample: 2014 2019
Periods included: 6
Cross-sections included: 20
Total panel (unbalanced) observations: 119

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.281175	0.030869	9.108621	0.0000
CRTA	0.006751	0.002245	3.007002	0.0034
NIM	0.011428	0.003613	3.162671	0.0021
ROAE	0.001843	0.000152	12.14722	0.0000
DTA	-3.94E-05	2.73E-05	-1.441719	0.1528
NPL___	-0.019295	0.005724	-3.370953	0.0011
ROA	3.09E-07	1.57E-06	0.196848	0.8444
NI	6.84E-09	1.13E-07	0.060676	0.9518
ROE	-7.93E-06	0.000266	-0.029863	0.9762

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.970235	Mean dependent var		0.203599
Adjusted R-squared	0.961404	S.D. dependent var		0.645159
S.E. of regression	0.126747	Akaike info criterion		-1.090917
Sum squared resid	1.461907	Schwarz criterion		-0.437005
Log likelihood	92.90954	Hannan-Quinn criter.		-0.825384
F-statistic	109.8626	Durbin-Watson stat		1.395713
Prob(F-statistic)	0.000000			

Sigificant at 1% & Sigificant at 5%

ROAA = C(1) + C(2)*CRTA + C(3)*NIM + C(4)*ROAE + C(5)*DTA + C(6)*NPL___ + C(7)*ROA + C(8)*NI + C(9)*ROE + [CX=R]

ROAA = 0.297231306463 + 0.00678474778935*CRTA + 0.0106357171775*NIM + 0.00184755567435*ROAE - 4.01180477772e-05*DTA - 0.0183116054495*NPL___ + 3.1642765155e-07*ROA + 1.071130356e-09*NI - 6.17441672857e-05*ROE + [CX=R]

9.2 HAUSMAN TEST :(2014-2019)

TABLE 2.2:

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	46.299895	8	0.0000

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
CRTA	0.006751	0.006785	0.000000	0.8510
NIM	0.011428	0.010636	0.000000	0.1103
ROAE	0.001843	0.001848	0.000000	0.6896
DTA	-0.000039	-0.000040	0.000000	0.7178
NPL___	-0.019295	-0.018312	0.000001	0.2241
ROA	0.000000	0.000000	0.000000	0.9422
NI	0.000000	0.000000	0.000000	0.4245
ROE	-0.000008	-0.000062	0.000000	0.5469

Significant at5% level.

9.3 Fixed effect model for ROAA:

TABLE 3.1:

Dependent Variable: ROAA
Method: Panel Least Squares
Date: 04/11/20   Time: 13:54
Sample: 2015 2019
Periods included: 5
Cross-sections included: 20
Total panel (unbalanced) observations: 99

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.348664	0.051700	6.743963	0.0000
ROAE	0.001775	0.000136	13.08511	0.0000
NI	-1.80E-08	1.01E-07	-0.177681	0.8595
NIM	0.013415	0.003431	3.910262	0.0002
CRTA	0.010542	0.002715	3.883393	0.0002
DTA	-1.91E-05	2.43E-05	-0.785986	0.4345
NPL____	-0.026622	0.006726	-3.958018	0.0002
ROA	-1.96E-07	1.37E-06	-0.143249	0.8865
ROE	-0.001354	0.000913	-1.484095	0.1422

Effects Specification				

Cross-section fixed (dummy variables)

R-squared	0.978104	Mean dependent var	0.188850
Adjusted R-squared	0.969778	S.D. dependent var	0.627741
S.E. of regression	0.109130	Akaike info criterion	-1.359339
Sum squared resid	0.845563	Schwarz criterion	-0.625366
Log likelihood	95.28729	Hannan-Quinn criter.	-1.062372
F-statistic	117.4686	Durbin-Watson stat	1.937558
Prob(F-statistic)	0.000000		

Significant at   5% level.

ROAA = C(1) + C(2)*ROAE + C(3)*NI + C(4)*NIM + C(5)*CRTA + C(6)*DTA + C(7)*NPL___ + C(8)*ROA + C(9)*ROE + [CX=F]

ROAA = 0.348664247378 + 0.00177501893358*ROAE - 1.80141278919e-08*NI + 0.0134153081248*NIM + 0.0105423126715*CRTA - 1.90735666291e-05*DTA - 0.0266221355689*NPL___ - 1.9610006291e-07*ROA - 0.00135442305098*ROE + [CX=F]

9.3 Fixed effect model for ROAE

TABLE 3.2:

Dependent Variable: ROAE
Method: Panel Least Squares
Date: 03/10/20   Time: 14:44
Sample: 2015 2019
Periods included: 5
Cross-sections included: 20
Total panel (unbalanced) observations: 99

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-151.3717	25.71198	-5.887206	0.0000
CRTA	-3.796495	1.342248	-2.828460	0.0061
NPL____	11.61022	3.238995	3.584514	0.0006
DTA	0.020290	0.011290	1.797116	0.0766
ROAA	398.2370	30.43436	13.08511	0.0000
ROE	0.661079	0.431862	1.530764	0.1303
NIM	-5.139643	1.684458	-3.051215	0.0032
NI	1.07E-05	4.80E-05	0.223657	0.8237
ROA	7.63E-05	0.000648	0.117655	0.9067

Effects Specification				

Cross-section fixed (dummy variables)

R-squared	0.782244	Mean dependent var	-8.516682
Adjusted R-squared	0.699435	S.D. dependent var	94.28523
S.E. of regression	51.69078	Akaike info criterion	10.96165
Sum squared resid	189707.5	Schwarz criterion	11.69563
Log likelihood	-514.6018	Hannan-Quinn criter.	11.25862
F-statistic	9.446383	Durbin-Watson stat	1.794097
Prob(F-statistic)	0.000000		

ROAE = C(1) + C(2)*CRTA + C(3)*NPL___ + C(4)*DTA + C(5)*ROAA + C(6)*ROE + C(7)*NIM + C(8)*NI + C(9)*ROA + [CX=F]

ROAE = -151.371712841 - 3.79649534925*CRTA + 11.6102249062*NPL___ + 0.0202901141498*DTA + 398.237030289*ROAA + 0.66107881963*ROE - 5.13964264813*NIM + 1.07391242041e-05*NI + 7.6293302266e-05*ROA + [CX=F]

9.3 Robust least square for NI

TABLE 3.3:

Dependent Variable: NI
Method: Robust Least Squares
Date: 04/20/20   Time: 16:32
Sample: 2015 2019
Included observations: 99
Method: M-estimation
M settings: weight=Bisquare, tuning=4.685, scale=MAD (median centered)
Huber Type I Standard Errors & Covariance

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	1333.308	404.6179	3.295227	0.0010
ROAE	4.995641	2.122175	2.354019	0.0186
ROAA	-89.80998	324.5274	-0.276741	0.7820
NIM	3.739697	39.38349	0.094956	0.9243
CRTA	-18.74915	37.16940	-0.504424	0.6140
DTA	0.108887	0.360009	0.302457	0.7623
NPL____	-286.5233	63.99063	-4.477582	0.0000
ROA	-0.002131	0.021034	-0.101330	0.9193
ROE	18.60227	1.429694	13.01136	0.0000

Robust Statistics			
R-squared	0.753863	Adjusted R-squared	0.731984
Rw-squared	0.780152	Adjust Rw-squared	0.780152
Akaike info criterion	172.9492	Schwarz criterion	201.4073
Deviance	4.38E+08	Scale	1654.747
Rn-squared statistic	232.0067	Prob(Rn-squared stat.)	0.000000

Non-robust Statistics			
Mean dependent var	13669.09	S.D. dependent var	125242.0
S.E. of regression	131472.7	Sum squared resid	1.56E+12

NI = C(1) + C(2)*ROAE + C(3)*ROAA + C(4)*NIM + C(5)*CRTA + C(6)*DTA + C(7)*NPL___ + C(8)*ROA + C(9)*ROE

NI = 1333.30796368 + 4.99564107674*ROAE - 89.8099750057*ROAA +3.73969664879*NIM -18.7491523486*CRTA + 0.10888730269*DTA - 286.523292747*NPL___0.0021313803951*ROA + 18.6022678659*ROE

9.4 Fixed effect model for NIM

TABLE 4.1:

Dependent Variable: NIM
Method: Panel Least Squares
Date: 03/10/20   Time: 19:07
Sample: 2015 2019
Periods included: 5
Cross-sections included: 20
Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.818564	1.488009	-0.550107	0.5838
NPL___	-0.066992	0.203732	-0.328825	0.7432
ROAA	10.65403	2.994397	3.557989	0.0006
ROAE	-0.018124	0.006711	-2.700547	0.0085

Effects Specification				
Cross-section fixed (dummy variables)				

R-squared	0.647023	Mean dependent var		1.234100
Adjusted R-squared	0.546173	S.D. dependent var		5.023133
S.E. of regression	3.383919	Akaike info criterion		5.474581
Sum squared resid	881.7197	Schwarz criterion		6.073770
Log likelihood	-250.7291	Hannan-Quinn criter.		5.717084
F-statistic	6.415669	Durbin-Watson stat		2.180420
Prob(F-statistic)	0.000000			

Significant at 5%

NIM = C(1) + C(2)*NPL___ + C(3)*ROAA + C(4)*ROAE + [CX=F]

NIM = -0.818563603938 - 0.0669922164408*NPL___ + 10.6540325192*ROAA - 0.018124435643*ROAE + [CX=F]

9.4 Fixed effect for NPL

TABLE 4.2:

Dependent Variable: NPL
Method: Panel Least Squares
Date: 03/13/20   Time: 11:05
Sample: 2015 2019
Periods included: 5
Cross-sections included: 20
Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.934456	0.513823	15.44201	0.0000
ROAA	-6.333199	1.519737	-4.167299	0.0001
NI	-9.50E-07	1.60E-06	-0.592368	0.5554
NIM	-0.014562	0.058235	-0.250060	0.8032
ROE	-0.054571	0.013241	-4.121359	0.0001
ROAE	0.013296	0.003333	3.989471	0.0002

Effects Specification				
Cross-section fixed (dummy variables)				

R-squared	0.782538	Mean dependent var		5.000000
Adjusted R-squared	0.712951	S.D. dependent var		3.228660
S.E. of regression	1.729818	Akaike info criterion		4.146228
Sum squared resid	224.4203	Schwarz criterion		4.797520
Log likelihood	-182.3114	Hannan-Quinn criter.		4.409818
F-statistic	11.24536	Durbin-Watson stat		1.743342
Prob(F-statistic)	0.000000			

Significant at 5%.

NPL___ = C(1) + C(2)*ROAA + C(3)*NI + C(4)*NIM + C(5)*ROAE + C(6)*ROE + [CX=F

NPL___ = 7.93445565478 - 6.33319894864*ROAA - 9.49888223796e-07*NI - 0.0145622095249*NIM + 0.0132956163966*ROAE - 0.0545714229343*ROE + [CX=F]

THEORETICAL AND PRACTICAL ISSUES OF ASSESSMENT AND DETERMINATION OF BANKRUPTCY OF CONSTRUCTION COMPANIES

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ABSTRACT

The development of the construction industry is of social and economic importance in the economy of Uzbekistan, as well as in other countries of the world. Also, economic stability and increased efficiency of enterprises in the industry will serve to improve the quality of life of the population. The article proposes ways of increasing the level of bankruptcy of construction companies based on foreign experience, based on the specifics of the activity.

KEYWORDS: *Construction, Construction Company, Bankruptcy, Bankruptcy Status, Bankruptcy Status Determination, Bankruptcy Status Determination Methods.*

INTRODUCTION

There are opinions, scientific and practical discussions of economists from all over the world and our country on the assessment of the economic insolvency of enterprises. Because in the conditions of market relations, the survival of any enterprise from bankruptcy has economic and social significance due to the following factors.

Firstly, if the enterprise goes bankrupt, the owner loses his property, which leads to protests y ерда against public policy.

Second, many of the workers who work there will join the army of the unemployed, and there will be an additional burden on the state.

Third, there will be social instability in the families of the unemployed, and their well-being will decrease.

Fourth, which leads to shortages in the markets, and, accordingly, to the fact that the consumption of the population is not fully satisfied,

Fifth, a decrease in tax revenues to the budget in this enterprise will lead to a decrease in budget revenues.

Therefore, in connection with the socio-economic significance of the bankruptcy of an enterprise, problems and ways to solve them are the subject of research not only by world economists, but also by scientists and specialists of our country.

METHODS AND MATERIALS

Based on the purpose of the study, the opinions of local and foreign scientists, government agencies, Internet sites are used to study theoretical and practical issues of assessing corporate bankruptcy, and methods such as systematic analysis, comparative analysis, logic and grouping are used to develop appropriate recommendations for solving existing problems..

RESULTS AND DISCUSSION

This issue is becoming increasingly important in the context of the global financial and economic crisis and the financial difficulties caused by the pandemic. Because the economic development of the country, its potential and growth rate depends on the stability of the activities of each business entity and their level of development.

Foreign and scientists of our countryE. Altman [1], M.S. Abryutina, A.V. Gracheva [2], W. Beaver [3], J. G. Fulmer [4], G. Springgate [5], T. Kosmykova [6], L.V. Dontsova, N.A. Nikifirova [7], N. Hasanov, S. Nazhmiddionov [8], E. Gadoev, B. Israilov [9] proposed several methods for assessing bankruptcy. ...E. Altman [1], M.S. Abryutina, A.V. Gracheva [2], W. Beaver [3], J. G. Fulmer [4], G. Springgate [5], T. Kosmykova [6], L.V. Dontsova, N.A. Nikifirova [7], N. Hasanov, S. Nazhmiddionov [8], E. Gadoev, B. Israilov [9] proposed several methods for assessing bankruptcy. ...

The complex indicator recommended by J. Fulmer [4] and J. Springites [5] is also widely used in assessing bankruptcy.

To determine the bankruptcy of an enterprise, according to R.S. Saifulin and G.G. Kadykova, it is advisable to define bankruptcy according to a single model [10].

E. Gadoev, B. Isroilov proposed methods for determining the use of 3 indicators to determine whether an enterprise leads to a false and deliberate (purposeful) bankruptcy in order to evade taxes [9].

N. Hasanov, S. Nadzhbiddinov recommend using four indicators to assess the economic insolvency of enterprises [8].

From the above, it is clear that in the writings of scientists, as well as in methodological recommendations, there are different approaches to this problem. This indicates that this issue is one of the problems that need to be solved scientifically.

There are many factors contributing to bankruptcy, and their study requires a systematic approach to the issue. To do this, it is advisable to classify all the factors that lead to bankruptcy

on certain criteria.U. Sirojitdinov [1], the study of factors affecting bankruptcy is divided into a group of external and internal factors, as well as the main external factors associated with the activities of economic entities, such as economic, political, demographic, development of science and technology, cultural level, increased international competition, bankruptcy of debtors. it is recommended to include non-factors.

The main internal factors leading to bankruptcy are a lack of working capital, an increase in accounts receivable and payable, an imperfect pricing mechanism, violation of contract discipline, an increase in the cost of social and cultural facilities, inefficiency of long-term financial investments, and unfinished construction of facilities. it is necessary to take into account such factors as the weight of the role, the irresponsibility of employees.

One of the most important problems in assessing the economic insolvency of construction companies, in our opinion, is the development of a system of indicators that reflect it. Economists N. Hasanov and S. Najbiddinov, who deal with the economic insolvency of enterprises, recommend to use the following five indicators in order to improve their views on the assessment of economic insolvency of the enterprise and to identify them:

- solvency or coverage coefficient- Csc;

- own and borrowed capital ratio coefficient - Cbc

- coefficient of own working capital- Cwc;

- asset return coefficient- Car;

- power consumption coefficient- Cpc;

- depreciation of fixed assets coefficient Cdf".[2. 30-31]

These recommended guidelines for determining economic insolvency can also be applied to the activities of economic entities directly involved in construction.

Edward Altman, a professor of business insolvency at New York University, rates bankruptcy (Z-score) based on five metrics and a weighting factor for each metric, namely working capital, retained earnings, operating income, sales to total assets, and prices of stock market. recommends a method for determining the ratio of equity to book value and their weights:

According to the scientist, if the "Z-score" is 1.8 or less (Z-score <1.8), the probability of bankruptcy is very high. A "Z-score "is possible if it is in the range of 1.81 to 2.7 - high, 2.8 to 2.9 - and very low if it is 3.0 or higher. To use this method in determining the bankruptcy status of construction companies, based on the nature of the construction company, it is recommended that the formula be revised as follows:

Oк   ReBoiChp

Z-score = (------- *1,2) + (------- * 1,4) + (--------- *3,3) + (-------- * 0,6)+

A   A   A   Of

CIw

+ (--------- * 1,0) ;

A

Here: Ok - working capital, A - all assets, Re - retained earnings, Boi - basic operating income, Chp - charter capital, Of - own funds, CIw - the total volume of construction and installation work.

The Altman method of assessing corporate bankruptcy is recognized and widely used in the international literature. Another reason why this method of predicting bankruptcy can be applied in the practice of Uzbekistan is that the country is in the process of full transition to a system of reporting in accordance with international accounting standards.

In addition, all information related to the determination of these indicators is reflected in the financial statements of enterprises. Therefore, the application of this method, to a certain extent, creates convenience for the relevant people, such as the head of the enterprise, the owner of the property.

Data from private construction company T were analyzed for all indicators necessary for predicting bankruptcy (determining the Z-score) (Table 1).

As a result of the calculations carried out to assess the bankruptcy of the enterprise, the amount of all indicators that make up the "Z-score" for predicting bankruptcy is determined, and they together form the "Z-score" To do this, an additive type of mathematical model is used and the following formula is recommended:

$$\text{"Z-score"}_{\text{кк}} = \sum_{i=1}^{n} \beta_i$$

TABLE 1 DYNAMICS OF Z-SCORE INDICATORS FOR BANKRUPTCY FORECASTING IN 2010-2019 ON THE EXAMPLE OF PRIVATE CONSTRUCTION COMPANY T

Years	The share of current assets in total assets, coefficient. (β_1)	The level of retained earnings on all assets, coefficient. (β_2)	The level of operating income in all assets, coefficient. (β_3)	Contribution of the authorized fund to own funds, coeff. (β_4)	Efficiency of all assets, coefficient. (β_5)	The amount of "Z-score" for predicting bankruptcy, coeff. ($\sum \beta_i$)
2010	1,0451	0,1215	1,0967	0,0641	0,4473	2,7847
2011	1,0472	0,1193	1,0827	0,0655	0,4387	2,7536
2012	1,0463	0,1233	1,2486	0,0628	0,4777	2,9587

2013	0,9524	0,1478	1,2952	0,0637	0,5429	3,0021
2014	0,8292	0,2242	2,0963	0,0634	0,8336	4,0467
2015	0,8256	0,2576	2,5811	0,0662	1,0000	4,7304
2016	0,8112	0,3099	3,2390	0,0554	1,1588	5,5743
2017	0,7932	0,3976	4,5111	0,0450	1,5481	7,2950
2018	0,7176	0,3528	3,5971	0,0323	1,3763	6,0761
2019	0,7308	1,1232	4,5870	0,0282	1,7050	8,1784

Source: This table is calculated by the author based on the data in Table 3.2.

The amount of "Z- score" in a private enterprise since 2013 is higher than a factor of 3.0.Its level has steadily increased in recent years. In 2017, its amount was more than 7.0, and by 2019 it was higher than 8.0.This situation shows that the economic situation of the multi-purpose private enterprise "Turon" is stable and financially sound. This is especially important at a time of ongoing global financial and economic crisis. The graph of the above factors and the result will have the following form (Figure 1)

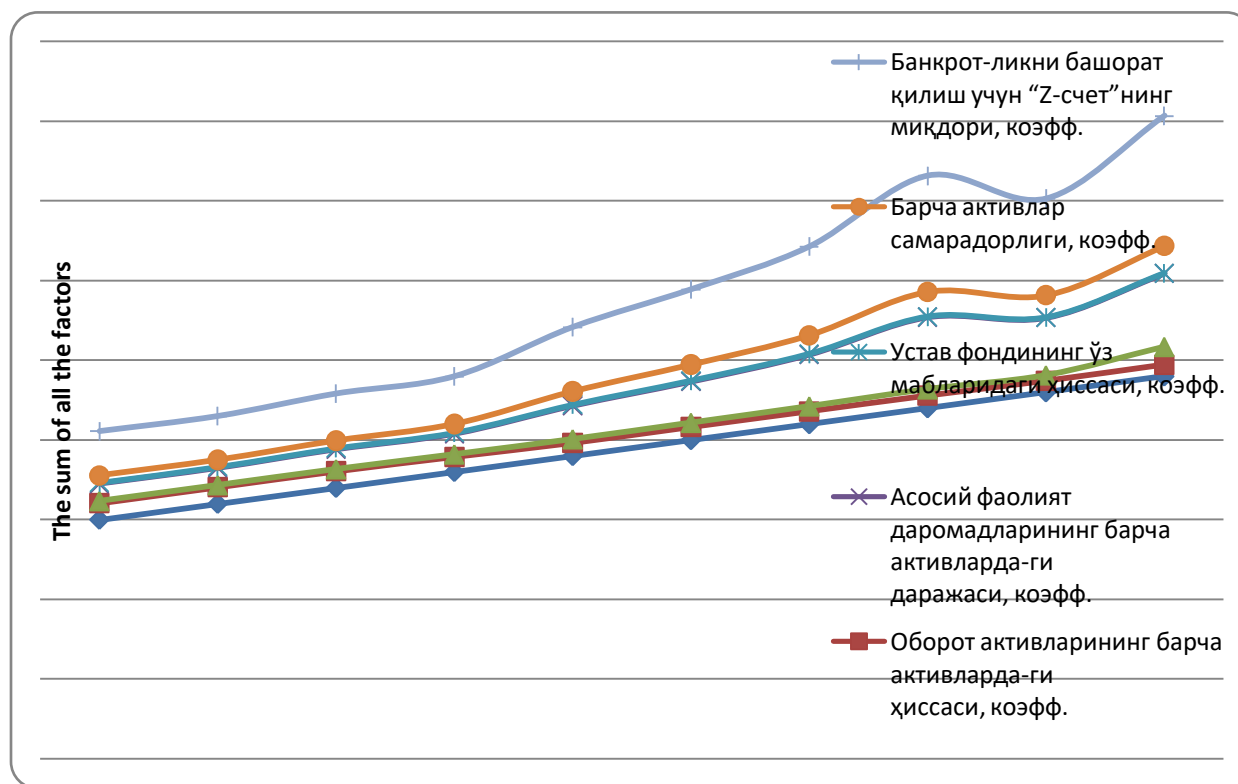**Figure 1. Z- score correlation chart used for bankruptcy forecasting for 2010-2019.**

As can be seen from the graph, the change in the Z-score is largely due to the large share of all assets and the share of the authorized fund in its own funds. The remaining factors have a steady upward trend, but these two factors decreased slightly in 2018 compared to 2017, and the amount of Z- score also decreased accordingly.

The advantage of this method is that it is possible to determine a single complex indicator from the system of indicators and on this basis to draw an appropriate conclusion to accurately assess the probability of bankruptcy.

Admittedly, the correlation index of the relationship between factors and outcome is very high, i.e., 0.937. Although the relationship between the Z- score and the above factors is very complex, it can be seen that its main change depends on the influence of these factors (Figure 2).
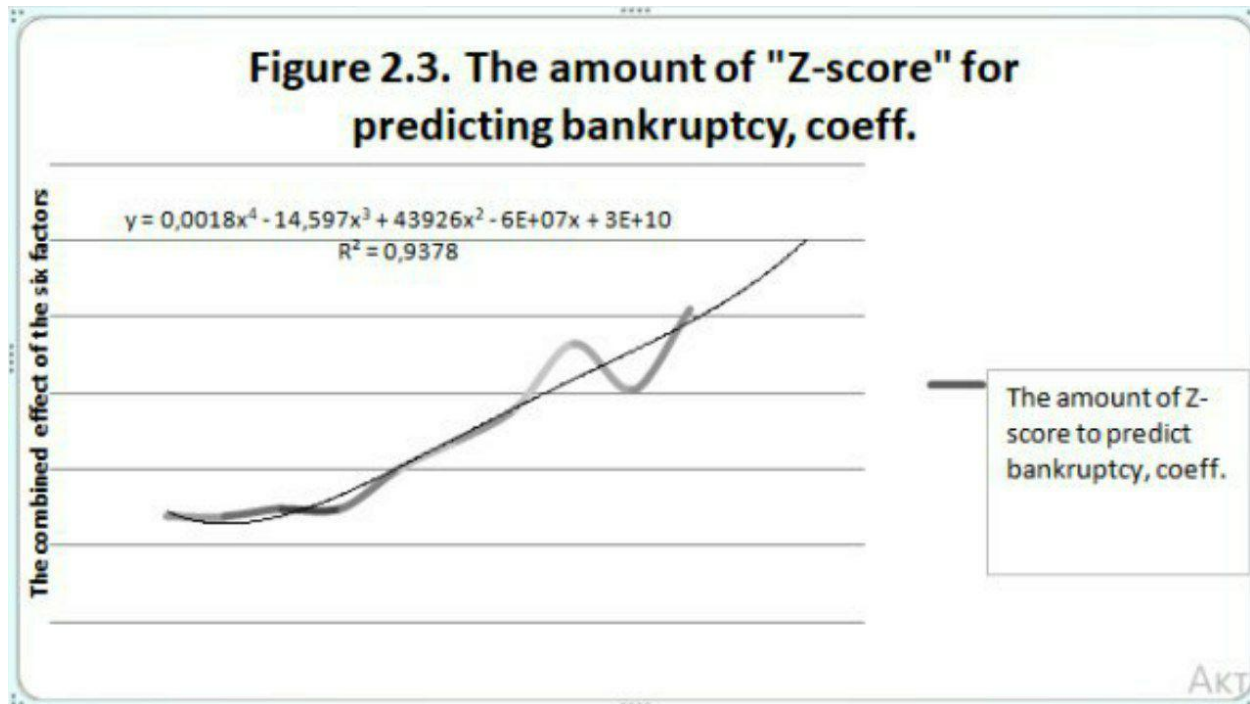
Figure 2. The amount of "Z- score" for predicting bankruptcy

When forecasting the size of the Z- score, it can be seen that the company is strengthening in 2017-2019.

However, it should be noted that another method is used in the practice of Uzbekistan to predict bankruptcy.

CONCLUSION

It should be noted that there are both pros and cons to using a system of indicators during economic analysis. On the plus side, the system of indicators covers the entire object under study. But the downside is that when the direction, size, and outcome of different indicators are different, it is much more difficult to draw a clear conclusion about the condition of the object being studied. Therefore, based on the results of the indicators, specialists should monitor the condition of the object under study.

Our research suggests that the level of bankruptcy of construction companies in Uzbekistan should be divided into 3 groups (economically strong entities, solvent entities, entities on the

verge of economic insolvency (on the verge of bankruptcyrather than 8 groups, based on the specifics of the construction industry.

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PROCESS OF INDUSTRIALIZATION AND MODERN TRENDS IN IT

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ABSTRACT

The article examines the policy of industrialization in the context of globalization, the role of industrial production in the national economy, current trends in it, structural changes.Also shown are new industries and sectors of industrial production, factors influencing the deepening and development of the industrialization process.

KEYWORDS: *Industrialization Policy, Industrialization Process, Modern Trends, Industries, Innovative Goods, Structural Changes.*

INTRODUCTION

The policy of industrialization of national production includes measures to stimulate economic, financial, organizational, legal, technical and innovative processes in the industry, to create conditions for the full mobilization of the private sector, as well as to support the integration of industry with other sectors. RequiresIn this regard, the process of industrialization and the state policy of industrialization put on the agenda a systematic scientific and theoretical study of these processes, enrichment of its methodological issues and improving the institutional framework for the implementation of industrialization policy in practice.

One of the current trends in global industrial production today is that the fourth revolution in industrial production is becoming a global priority.Industrial revolutions can be distinguished from each other by the technologies used in production.If we look at all four stages of production technology, the 1st Industrial Revolution (1760–1840) was explained by the launch of the steam engine and the mechanization and automation of simple tasks, the construction of railways.The

emergence of electricity, the launch of conveyor assembly shops and the introduction of mass production explain the 2nd industrial revolution (late nineteenth and early twentieth centuries).The advent of semiconductors and computers, personal computers, the automotive industry, and the Internet explains the 3rd Industrial Revolution (since the 1960s).

The fourth industrial revolution is explained by the introduction of modern new technologies into industrial production.That is, new digital technologies are emerging as a result of the combination of three key components, hardware, software, and communication tools.The unique features of this revolution include the use of renewable energy sources along with electricity, software platforms, industrialized Internet tools, large-scale database analysis, artificial intelligence, industrial robots, human-collaborative collaborative robots, and additional, additive industrial production 3D printers, and most importantly, "smart manufacturing" in the industry.[1]

These new technologies will lead to the emergence of new innovative goods, which in turn will lead to the emergence of new industries and sectors in industrial production, as well as new jobs, new sources of income.This process serves as a basis for deepening the process of industrialization and social welfare.If these innovations provide for less impact on the environment through the introduction of ecological production, they will also ensure the ecological sustainability of industrial production.

New technologies also serve to increase the technological and economic efficiency of production, which contributes to the growth of competitive industry.

Main Part

In the last years of the last century, the transition of developed countries to the fifth (informed) technological stage was achieved thanks to the accumulated significant scientific and industrial achievements in the field of new materials and technologies.Leading companies-manufacturers of materials, taking into account the demand for scientific and technological developments in the market and its trends, have increased the costs of STEDD, actively diversified production, redistributed investment resources, and significantly expanded their specialization.For this reason, the last years of the last century have a new (constructive and functional) structure and are characterized by an increase in the number and modifications of materials that perform various functions[2. 288].

It is expected that in the near future, as a result of further deepening of industrialization processes, this situation will develop further and modern trends will become more pronounced.Because, firstly, the active diversification of production, and secondly, the expansion of the internationalization of economic activity of corporations - will lead to the strengthening of financial and production assets.Integration processes in traditional industries are accelerating, which may result in the emergence of new megacorporations in the metallurgical and chemical industries.It is expected that the initial, simple forms of integration will develop in the form of strategic alliances, development of raw materials, production and joint projects in the field of STEDD.

Low-emission and low-resource technologies and uninterrupted production still play an important role among the main directions of technical development of complex industries.In addition, regular casting of metals, high-selective electro-, bio-, plasma and photochemical processes, complex processing of raw materials in the field of wood processing and non-ferrous metallurgy, small mini-plants in the metallurgical industry, information technology and (ASU) processes for the widespread application of automated system management are also important.The intensification of conservation and low resource consumption trends further limits the economic role of increasing the unit power of key aggregates and devices.

The rapid growth in demand in the industries will lead to an increase in demand for new unique materials (ceramics and polymers, metallic and hybrid materials), which, of course, is associated with fundamental advances in the STEDD field.At the same time, the importance of small companies and enterprises that can adapt to market requirements in a short period of time with their software structures is growing.

In recent years, the complex industries have maintained serious competition in the market of cheap and bulk products.Such fierce competition encourages corporations to constantly update their product range, sell products using modern logistics tools, and receive government support in foreign trade.

China's role in the development of internationalization processes and the active involvement of new industrialized countries (Republic of Korea, Mexico, India, Brazil, Taiwan, etc.) is growing.In the coming years, China is expected to become a major player in the global market for materials with a traditional structure, creating a huge potential of material manufacturing industries.The United States, Japan and Western Europe will continue to be leaders in the production of specialty products (new generation materials, pharmaceuticals, biotechnology, paints, special wood products).

RESULTS AND DISCUSSION

In the future, the effectiveness of economic development in the United States, Japan and Germany will be determined by three key factors.First, there are positive changes in the structure of the economy, outstripping the development of the service sector in comparison with the growth of material production. Services include three factors: high demand for labor, small investment, and demand for resources.The superior development of the service sector provides full employment, ie solves social problems and at the same time reduces the demand for fixed capital for the production of goods by 1/3.

Second, the transition to a knowledge-based economy and the reduction of the share of resource-intensive sectors of material production will determine the global trend of low resource consumption. During the forecast period, this situation will lead to a steady increase in economic efficiency. The steady decline in unit production costs will be one of the key factors in ensuring the efficient use of capital investment and sustainable economic growth in the future.

It is expected that in the forecast period, the development of the national economies of developed Western countries on the path of "difficult" economic growth will provide a steady increase in efficiency as a result of a comprehensive decrease in demand for labor, materials and capital.

Researchers estimate that in 2001-2020, the average annual growth rate of labor productivity in developed countries in the West will increase by 1.8-1.9%, while the annual demand for product capital will decrease by 0.7-1.0%.In other countries (for example, Japan), stabilization of the capital ratio will lead to a decrease in the demand for energy and materials for agricultural products in the long term [3. 429].

In such a development model of the past period, the dynamics of key performance indicators was not stable. The main feature of the effective functioning of an informed society may be the implementation of the principles of socio-economic efficiency (general effectivness).The principle of socio-economic efficiency: the creation of incentives for the development of "human capital". Economic growth in the future will be determined not by the additional introduction and extensive expansion of production resources, but by the steady increase in the efficiency of factors of production.

The process of industrialization is based on structural changes and structural shifts in the industrial sector. Structural changes are important quality changes in industrial production. Structural shifts, on the other hand, are the systematic occurrence of these changes over time. In other words, structural shifts are a broader concept than structural changes, meaning that they occur over a longer period of time and in a wider space in terms of time and space.

The development of industry in Uzbekistan can be negatively affected by external factors that can weaken the factors of industrial growth and rational use of resources. These factors include:

The first is the strengthening of global competition, which encompasses not only the traditional markets for goods, capital, technology and labor, but also the public administration system, support for innovation and human development.

Second, a new wave of technological change is expected, which will enhance the role of innovation in social and economic development and reduce the impact of many traditional drivers of growth.The backwardness in the development of the latest generation of new technologies can reduce the competitiveness of the national economy and increase its vulnerability in the context of growing geopolitical competition.

The third is the exhaustion of the potential of the export-raw material model of industrial development based on the increase in exports of fuel and raw materials.Therefore, structural changes in industrial production should be deepened, sectors should be further diversified, and structural shifts should be accelerated as a result of systemic, organic processes of mutual cooperation and integration.Structural changes are analyzed mainly in three approaches - sectoral, technological and regional.

Significant changes were observed in the structure of industry in Uzbekistan in 2010-2019.Changes in the structure of industry by indicators such as the structure of gross domestic product by type of economic activity, GDP growth rate by type of economic activity, structure of manufacturing industry, gross savings, growth rate of industrial production by type of economic activity, commodity composition of foreign trade turnover analysis is expedient.

TABLE 1 IN TERMS OF ECONOMIC ACTIVITY, THE REPUBLIC OF UZBEKISTAN GROSS DOMESTIC PRODUCT COMPOSITION (AS A PERCENTAGE OF TOTAL)

	2010	2012	2014	2016	2017	2018	2019	Changes in 2010-2019, %, «+», «-«
I. GDP, total	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**xxx**
Including:								
Gross value added of networks	87,2	88,1	89,6	90,8	88,5	88,8	90,9	3,7
Net taxes on products	12,8	11,9	10,4	9,2	11,5	11,2	9,1	-3,7
II. Gross value added of networks	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**xxx**
Agriculture, forestry and fisheries	32,9	34,9	33,8	34,0	34,0	31,5	28,1	-4,7
Industry (including construction)	26,0	24,6	25,9	26,6	27,9	32,6	36,4	10,4
Industry	20,2	19,3	20,2	20,6	22,2	26,5	30,0	9,8
Construction	5,8	5,3	5,7	6,0	5,7	6,1	6,4	0,6
Services	41,1	40,5	40,3	39,4	38,1	35,9	35,5	-5,6

Source: Compiled on the basis of data of the State Statistics Committee of the Republic of Uzbekistan for the relevant years. //stat.uz/

The analysis of changes in the value added structure of the industry in 2010-2019 led to the following conclusions:The share of gross value added in the country's GDP increased from 87.2% to 90.9%; this means that industries with a high share of value added are developing faster than other industries.In summary, these changes mean that the country is increasing the importance of industry in the value-added process.The main trends of structural changes in the industry are taking place in processing. Of course, significant structural changes are also taking place in the mining and quarrying sector. However, the analysis of changes in the processing industry highlights the key qualitative changes in industrialization.

CONCLUSION

In addition to the general economic factors mentioned above, the efficiency of the deepening and development of the industrialization process can be determined by a number of special factors:in every country to create a competitive industry that can operate effectively in the face of strong competition in the open market the degree of establishment of new opportunities for the liberalization of the business environment;
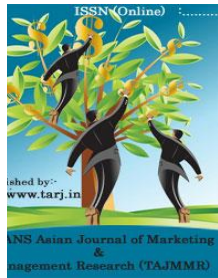
- the nature of structural shifts between industrial sectors and the creation of a robust industrial structure, taking into account the relative efficiency of industrial production in developing and newly industrialized countries;the pace of creation and launch of new high-demand

products in the national and global markets, which are in high demand in the investment and consumer markets;

- Opportunities to mobilize financial resources of the state, population and private entrepreneurship and stimulate investment processes in solving global problems of the national economy, as well as the development of market infrastructure, which is of strategic importance for industrial development; The use of "human capital" in industrial production, the level of maturity of market mechanisms, the possibility of combining human capital with material capital in an integrated system, and this will become the main object of attention of entrepreneurs and management firms in the future;

- Complete abandonment of old, non-compliant practices in the development of industry and the introduction of environmentally friendly products for the consumer market;

- Reducing production costs to pay social costs and higher compensation payments for labor.

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DO CUSTOMERS PAY ATTENTION TO NUTRITION LABELS WHEN THEY BUY AN ONLINE FOOD PRODUCT?

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ABSTRACT

Attitudes of customers towards the nutritional aspect of the foods are increasing rapidly and also in India online grocery business is at emerging stage. In this context, at the time of online purchasing nutritional label of food product play a significant role in providing the relevant information to consumers. This study was conducted with a view of identifying important nutritional labelling aspects that customers would examine at the time of online purchasing of food product. The ultimate objective was to investigate the understanding and perception of nutrition label among customer when they buy an online food product. Pre-tested structured questionnaire was employed to collect data from random sample of 168 respondents. In the analysis of data SPSS Statistics Solution has been utilized. Nonparametric tests were used in the analysis of data with no normal distribution. Mann-Whitney U in the mean comparison of 2 independent groups (Post-graduates & Undergraduates). Results indicate perceptions of customers on nutritional label subscales are statistically significant according to group. Another important finding is that only about a third of the consumers checked Manufacturer, the origin and FDA certification and 60.6% of them looked for expiry date and nutrition information. The customers felt that too much information displayed on the labels is too technical to understand as most of them lack basic nutrition knowledge.

KEYWORDS: *Nutrition Label, Online Food Product, Customers*

INTRODUCTION

In India, because of the growing prevalence of diet-related diseases such as diabetes, cardiovascular and obesity disease, the prevention and management of these diseases have become an important public health issue. So as to lessen the rate pace of diet-related disease, the government and nourishment producers elevate nutritional marks to help buyers settling on more beneficial nourishment decisions. Globally, many countries have introduced policies nutrition label to improve food purchase behaviour of the public (Hong et al. 2009). Getting consumers to eat more healthily is not any trivial task. While health is valued by everybody and thus is one amongst the elemental drivers of human behaviour, attempts to vary eating patterns by informing consumers about the link between diet and health are difficult. One amongst the foremost instruments in trying to bring forth more healthy eating patterns has been nutrition labelling. Nutritional labelling is an effort to produce consumers, at the purpose of the purchase, with information about the nutritional content of individual food products, so as to enable consumers to decide on nutritionally appropriate food (Grunert and Wills, 2007). In many parts of the world, food companies, consumers and governments are re-examining the provision of nutrition information on food labels. It is important that the nutrition information provided be appropriate and understandable to the customers and that it impacts food-choice behaviour (Wills et al. 2009). Food labelling represents a valuable tool to assist consumers to make informed decisions about their diet and lifestyle. Hence, food labels play a crucial role by disseminating important nutrition information to consumers and even at the time of online purchasing. Initially, food labelling was limited to food name, quantity, and price and manufacturer identity. But recently, its important aim is to bridge the gap between the consumers and also the original food ingredients. The net grocery business is an emerging stage in India. Various factor has to analyse by online retailers that affect customers purchase intentions towards online grocery shopping. It's also observed that purchasing behaviour of consumers for online grocery shopping is completely different than buying from physical markets and nutrition information informs consumer decisions at the purpose of sale in offline stores, it's unclear whether such information affects online food sales. Through the questionnaire, I tried to examine the customer understanding of food label and perception of nutrition label during online purchasing and the result comes 61% of consumers across the age groups reported that they checked nutrition label on food product when they buy online. This justifies the finding that 60.6% of them looked for expiry date and nutrition information. Another important finding is that only about a third of the consumers checked Manufacturer, the origin and FDA certification. The consumers felt that too much information displayed on the labels is too technical to understand as most of them lack basic nutrition knowledge. A significantly greater number of customers with higher education qualifications were checking both nutrition information and quality symbols.

LITERATURE REVIEW

Many research have been conducted to analyse attitude of customers towards nutritional labeling in food product. Nutritional label may assume a significant job in the showcasing of food products through correspondence and advancing shopper certainty. Most of researcher has focused on customer responses to nutrition labeling in offline stores (Shah et al. 2014; Balasubramanian and Cole, 2002; Russo et al. 1986). Some of the researcher includes the impact

on consumer purchasing behavior (Teisl et al. 2001; Keller et al. 1997), believes about product healthiness (Kaur et al. 2016), information-processing behavior (Moorman, 1990), attitudes toward retailers (Newman et al. 2014), and food consumption (Wansink and Chandon, 2006). The diversity of responses is based on consumer differences such as motivation, level of education (Cole and Gaeth, 1990), consumer knowledge (Liu et al. 2015). The recent development of the Internet has boosted the extension of online food services by enabling people to search, compare prices and conveniently access these services (Internet Live Stats, 2016; Kitsikoglou et al. 2014; Anonymous, 2011). In 2015 more than one-third of Asia-Pacific participants, especially in developing countries, answered that they looked for and ordered products via the Internet (The Nielsen Company, 2015). Nonetheless, such business raises food safety and cleanliness contemplations, especially in low income nations where food frameworks are heterogeneous and divided, with a power of little casual food (Grace, 2015). My research is in line with the latter studies and evaluates consumers Awareness towards presence of nutritional label of food product during online purchasing and consumer's perception towards the food labeling.

OBJECTIVE OF THE STUDY

To investigate the understanding and perception of nutrition label among customer when they buy an online food product

METHODOLOGY

Sample Size

250 respondents were assumed to participate out of which 168 responded. So, the sample size is 168 respondents, whose opinion forms the base of this study and its analysis. Convenience sampling technique was used. Primary data were collected through Pre-tested self-administered structured questionnaire.

DATA ANALYSIS

168 people participated in the study A 5-point Likert scale ((1) Strongly disagree; (2) Disagree; (3) Neither agree nor disagree; (4) Agree; (5) Strongly agree) was used to evaluate the perception of the participant on nutrition label during online purchase, participants are required to choose what he considered. The answers include Level of nutritional knowledge about the food they usually eat, It offers them useful information about the product, they consider it as a guarantee of quality and food safety, they do understand the information provided, they think it contains too much information.

In the analysis of data SPSS Statistics Solution has been utilized. Nonparametric tests were used in the analysis of data with no normal distribution. Mann-Whitney U in the mean comparison of 2 independent groups (Post graduates & Undergraduates).

RESULT

A total of 168 individuals participated in the study. The mean (SD) age participants were 33 years. Majority of the participants were active buyer (80.4%) and none of them illiterates. More than half of the participants were employed (53%). Table 1 shows the food purchasing and food

labelling-related awareness and practices of the study participants. The awareness of nutrition labels present on food product was reported by 83.2% of the participants and 90.8% of participants buy food product online and 70% of participants buy food product online monthly basis. However, only 71% of the participants preferred to buy online only those products that carry a nutritional label 60.6% customers checked both expiry and nutritional information during online purchase and only one third of participant checked Manufacturer, the origin and FDA certification on the label. Only 11% reported that understanding the nutrition label on food product during online purchasing was easy. A 5-point Likert scale ((1) Strongly disagree; (2) Disagree; (3) Neither agree nor disagree; (4) Agree; (**5**) Strongly agree) was used to evaluate the perception of the participant on nutrition label during online purchase, participants are required to choose what he considered. The answers include Level of nutritional knowledge about the food they usually eat, It offers them useful information about the product, they consider it as a guarantee of quality and food safety, they do understand the information provided, they think it contains too much information.

Mann-Whitney U was conducted in order to test whether the perceptions of participants on nutritional label, subscales differ in terms of groups or not. Based on the obtained results in the following table, there exists no statistically significant difference between the groups under each subscale based on p values**. (P=0.855, P=0.65, P=0.79, P=0.57, P=0.63, P > 0.05)**. (See Table 1)

TABLE 1: MANN WHITNEY U TEST RESULTS OF PERCEPTION OF CUSTOMERS ON NUTRITIONAL LABEL SUBSCALES ACCORDING TO DIFFERENT EMPLOYMENT GROUPS

	Groups	No.	Mean Rank	p
Level of nutritional knowledge about the food you usually eat	Post Graduate	90	90.73	0.855
	Under Graduate	78	75.52	
It offers me useful information about the product	Post Graduate	90	92.86	0.65
	Under Graduate	78	73.34	
I consider it as a guarantee of quality and food safety	Post Graduate	90	93.83	0.79
	Under Graduate	78	72.42	
I do not understand the information provided	Post Graduate	90	85.29	0.57
	Under Graduate	78	82.33	
It contains too much information	Post Graduate	90	93.24	0.63
	Under Graduate	78	75.19	

H0: The differences in perceptions of customers on nutritional label subscales are not statistically significant according to groups.

H1: The differences in perceptions of customers on nutritional label subscales are statistically significant according to group.

DISCUSSION AND CONCLUSION

This study was designed to test the research question that is "Do Customer pay attention to nutrition label when they buy an online food product?" Most of the participant buy online food

product .Although 61% of consumers across the age groups reported that they checked nutrition label on food product when they buy online. This justifies the finding that a 60.6% of them looked for expiry date and nutrition information. Another important finding is that only about a third of the consumers checked Manufacturer, the origin and FDA certification. The consumers felt that too much information displayed on the labels is too technical to understand as most of them lack basic nutrition knowledge. A significantly greater number of consumers with higher education qualifications were checking the nutrition information as well as quality symbols. Therefore, there is a need to take up a two-pronged approach of creating public awareness on basic nutrition as well as an understanding of nutrition label on the one hand and experimenting with newer ways of information display to make food labels consumer-friendly on the other. In addition the investigation towards nutrition label is significant for future instruction and strategies of nutrition label especially in case of both online purchasing and selling. Since customers can profit by perusing nutrition label, for example, diminish commonness of diet-related infections, progressively extra procedures that upgrade to spread information on nutrition label.
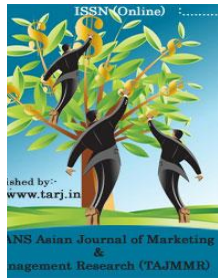
SUGGESTIONS

- ❖ The majority of people I met had different food consumption patterns from that of a student to an athlete. Their focus varied on food from person to person.
- ❖ Nutrition labels play an important role since a crucial part of these sample population wanted to monitor and control the dietary pattern they follow, and with nutrition labels they can understand it in a better way.
- ❖ Though the understanding of the nutrition label is not a difficult task for the educated and young college goers, but as observed, many lack the proper knowledge to decipher and health benefits each provides.
- ❖ Also several feedbacks that are important for the organizations focusing on health and nutritious food items were received. This included the key information should be highlighted in order alert people about health benefits and precautions.
- ❖ For diabetic and Blood pressure patients, special focus should be given on the nutritional aspects. The feedback included special notes and precautions on the product or QR code, giving details of information that cannot be listed on products. if patients are suffering from any of the two diseases

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FACTORS CHANGING AND INFLUENCING THE INVESTMENT CLIMATE IN THE REPUBLIC OF UZBEKISTAN

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ABSTRACT

This article is devoted to the issues of factors changing and influencing the investment climate in the republic of Uzbekistan. Financial globalization requires a revision of the existing system of theoretical and practical knowledge about the functioning of the world economy from the point of view of international movement of capital in the form of investments.

KEYWORDS: *Investment Climate, Macroeconomic Stability, Internal And External Sectors Of The Economy.*

INTRODUCTION

Consequently, the issue of the place and role of Uzbekistan in the world foreign investment market is of primary and predetermining importance for the further sustainable and balanced growth of the national economy, for the rise of which it is important to determine the level, conditions, forms and methods of integrating the country into the world economy and the international capital market. It is generally recognized that only high growth rates of the state's economy and per capita income can ensure the preservation of socio-political stability in the country. To this end, the government has adopted and is implementing appropriate investment and sectoral programs. Uzbekistan has achieved political stability with a sequence of reforms in all spheres of public and political life. The balanced and purposeful economic policy of the country pursued by the leadership of the Republic of Uzbekistan ensured:

-macroeconomic stability, balance of the internal and external sectors of the economy, growth of foreign exchange savings;

-conditions for maintaining consistently high rates of annual economic growth at an average of 8% per year;

- creation of a stable banking and financial system with strict observance of the Basel principles of banking supervision. In particular, the level of bank capital adequacy is over 24.3%, which is almost 2 times higher than international standards;

-development of new high-tech industries through an active investment policy, technical modernization of industries and production infrastructure.

Main Part

Investment activity of Uzbekistan is important for the formation of the entire national economy. This provision can be confirmed by the fact that the government considers the formation and implementation of regional investment policy as a necessary condition for sustainable economic growth by the government. The basis of legal regulation in the field of attracting foreign investment in the Republic of Uzbekistan are:

-Law "On Foreign Investments";

-Law "On investment activities";

-Law "On guarantees and measures to protect the rights of foreign investors"

-The Law "On the Protection of Investors' Rights in the Securities Market", as well as a number of regulatory legal acts adopted in the form of decisions of the President of the Republic of Uzbekistan and government decrees.

The "Strategy for Action in Five Priority Areas of Development for 2017-2021" is aimed at further developing the country, increasing welfare and improving people's lives. In the successful implementation of this strategy, an important role belongs to the ongoing investment policy, the increase in investment activity at all levels of government, including the population, the growth of the return on investment funds invested in the development of the economy [1].

If we analyze the investment climate from a regional perspective, there is an uneven distribution of foreign investment across regions. The leading places are occupied by regions with a developed investment infrastructure and convenient geographic location, such as Tashkent, Tashkent region, as well as regions in which strategic projects are financed (Kashkadarya region and Bukhara region).

In other regions, it is necessary to develop infrastructure by, firstly, state stimulation of the activities of banks, investment funds, insurance and leasing companies; secondly, the organization of institutions for the provision of consulting, marketing and legal services; thirdly, the intensification of the participation of local authorities in the process of attracting foreign investment, in providing information on investment opportunities in the region. The above problems are being solved in the republic gradually with the creation of free industrial zones. Any types of economic, financial and other activities of legal entities and citizens (individuals) are allowed on the territory of a free economic zone, with the exception of activities prohibited by the legislation of the Republic of Uzbekistan. In Uzbekistan, the creation of a FEZ will allow solving the following tasks [2]:

-diversification of the economy and the development of new industries aimed at ensuring a complete production cycle in high-tech industries;

- Involvement of scientific developments in the production process;

-development of territories;

-creation of new jobs.

In terms of key quality indicators, Uzbekistan should ensure the world's average quality of life by 2030, and by 2040 - become one of the leading developing countries of the world.

The task of ensuring sustainable and balanced economic growth of the Republic of Uzbekistan based on the diversification of the economy and increasing its competitiveness in conditions of limited domestic financial resources cannot be achieved without the implementation of a stimulating policy of attracting investments and increasing the efficiency of using available funds.

Investments have a significant impact on the socio-economic development of the country:

- at the macro level, they are the basis for the implementation of a policy of expanded reproduction, restructuring of the production sector and balanced development of all sectors of the economy, the introduction of innovations, and ensuring the competitiveness of the country's economy;

- at the micro level are necessary to expand and develop production, improve its technical and technological levels, reduce the moral and physical deterioration of fixed assets, improve the quality and competitiveness of products, as well as reduce the harmful environmental impact on the environment.

The reforms implemented in recent years to liberalize the economy and its openness to the outside world create new, previously unused, opportunities for foreign and national investors to invest capital and create new enterprises, and receive additional profits. The achieved result is largely due to the continued high level of investment activity.

The growth rate of gross investment exceeded 18% 2000-2017 at 9.6%. The volume of investments in the last 2-3 years, 23-26% of GDP in terms of gross investment corresponds to the average world estimates for the category of medium-developed countries of the world, 24-26%, but is inferior to the corresponding average indicators for the most dynamically developing countries of the world by 30-32% [3].

In addition, within the framework of the Action Strategy for five priority areas of development of the Republic of Uzbekistan in 2017-2021 - "Year of support for active entrepreneurship, innovative ideas and technologies" in 2018, the following measures were implemented [3]:

- canceled scheduled inspections not related to the financial and economic activities of business entities, the development of small and private entrepreneurship;

- Licenses and permits for 42 types of activities were canceled, the terms of consideration of issuance of licenses and permits for 25 types of activities were reduced;

- introduced market mechanisms for the sale of state property objects and land plots to business entities through electronic trading, including at zero cost;

- a number of State programs have been adopted to widely involve the population in entrepreneurial activity, in particular:

- within the framework of the program "Youth is our future" in 2018, more than 13 thousand youth business initiatives, ideas and projects were implemented, more than 4 thousand young people are involved in entrepreneurial activities;

- 9019 projects worth 191.2 billion soums have been implemented in the Andijan region under the program "Every family is an entrepreneur". and 9027 new jobs were created;

-implemented the state programs "Obod Mahalla" and "ObodKishlok", within the framework of which construction and construction work was carried out in 478 villages of the republic for a total amount of more than 4.5 trillion soums and 116 mahallas worth over 1.7 trillion soums;

To increase the volume of investment in the national economy based on domestic investment, the following measures must be taken:

-improvement of the existing mechanism in the national economy to convert savings into investments;

- attraction by commercial banks, both in national and foreign currency, of funds of the population, and their provision as loans to business entities;

- attracting funds accumulated by the population into the investment process through the Tashkent stock exchange and so on. It is obvious that attracting additional domestic investment into the national economy requires the development of a stimulating mechanism for converting savings into investments. However, this process is associated with a change in the consciousness of the population for their participation in the economic activity of the country, which is associated with certain times. To increase the volume of capital investments in the national economy, foreign investments and loans are an alternative to domestic investment. Therefore, it is necessary to study and analyze all existing reserves and resources associated with attracting foreign investment in the national economy, as well as improve the mechanism for attracting foreign capital to national enterprises.

CONCLUSION

Thus, a positive solution to the above issues contributes to an increase in the volume of domestic and foreign investments directed to the national economy, ensuring sustainable economic growth and, ultimately, accelerating the country's development and improving the welfare of the population of our republic.

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IMPROVING THE MECHANISM OF EVALUATION OF INNOVATIVE ACTIVITY IN UZBEKISTAN

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ABSTRACT

The article considers innovation as a dynamic economic element. The analysis of the assessment of innovations, innovative opportunities, carried out by the authors, graphically characterized the current situation both in the world and in particular in the Republic of Uzbekistan. The studies carried out allowed us to propose some elements of a strategy for further climate for the development of an innovative economy.

KEYWORDS: *Innovation, Innovative Development, R&D, Economic Growth, GDP, National Innovation System, Technology.*

INTRODUCTION

In the increasingly competitive world, several nations are striving to enhance creative ability with a view to economic growth and efficiency. Competition and innovation are important in building innovation capacity for the countries, as they provide possible pathways to accelerate the technological catch-up cycle as well as maintain productivity growth and competitiveness. Charting the innovation index will enable developed economies to catch up, as it provides countries' overall innovation output. At the heart of the innovative development of the economy is the process of finding, training, creation, implementation and commercialization of innovations, i. e. ensuring the transformation of ideas directly to innovation [1].

Companies' ability to fulfill customer standards is highly dependent on their ability to develop and produce new products at reasonable prices. Innovation is a crucial catalyst for achieving sustainable competitive advantages and is becoming one of the biggest obstacles for small and medium-sized enterprises (SMEs) in particular[2]. Many analysts believe that this century would

be a culture focused on know-how. It will be defined by the development, diffusion and adoption of new technologies that are very active. In this sense, a new term, the national system of innovation (NIS), has been introduced and intensively studied. Some analysts also suggest that this century is going to be a century of regionalisation in these days. Within the globalized world, the nation-state has lost its significance in cultural, R&D and innovation activities.

A system approach is needed to effectively strengthen national potential for innovation. Efficient Regional Innovation Systems (RIS) create a competent NIS (National Innovation Systems) through the generation of competitive SISs (Sectoral Innovation Systems) in the regions. The correct number of applicable innovation actors should be composed of a RIS in three groups: academia, the public research sector and industry [3].

Global economic growth appears to be losing momentum relative to last year. Productivity growth is at a record low. Trade battles are brewing. Economic uncertainty is high. Despite this contemplative outlook, innovation is thriving worldwide. Formal innovation – as measured by research and development (R&D) and patents – and less formal forms of innovation are flourishing in developed and emerging economies simultaneously. Established and emerging economies of all kinds today facilitate innovation for economic and social growth. This is now much well understood that creativity exists in all economic fields, not just in high-tech firms and development sectors. As a result, economies are concentrating their attention squarely on building and sustaining environments and networks for sound and dynamic innovation.

Role of innovation in economic growth. International research and development spending expanded faster than the world economy, more than doubling between 1996 and 2016. Global government spending on R&D (GERD) increased by about 5% in 2017, while company R&D spending increased by 6.7%, the largest increase since 2011. Only so many scientists around the world have ever worked in history to address the most important global scientific problems.

Over past years, the globe has seen an rise over expenditure in innovation, as assessed by the economies' average investments at all stages of growth. In 2017 and 2018 the use of intellectual property (IP) hit record highs. Amid economic instability, spending on innovation has increased and seems robust in given the current economic cycle. The challenge is whether this pattern will continue as global economic growth declines in 2019. There are two issues which stand out [4]:

First, the Global Innovation Index 2019 shows that public R&D expenditures - in particular, in some high-income economies responsible for driving the technology frontier - are growing slowly or not at all. Waning public support for R&D in high-income economies is concerning given its central role in funding basic R&D and other blue sky research, which are key to future innovations including for health innovation.

Second, increased protectionism - in particular, protectionism that impacts technology-intensive sectors and knowledge flows - poses risks to global innovation networks and innovation diffusion. If left uncontained, these new obstacles to international trade, investment, and workforce mobility will lead to a slowdown of growth in innovation productivity and diffusion across the globe.

It is well known that innovation is one of the main factors of intensive economic growth. It is no coincidence that the most developed countries (Switzerland, 63.9 thousand dollars of GDP per capita at PPP, USA - 57.6 thousand dollars, Singapore - 87.8 thousand dollars, the Netherlands - 50.5 thousand dollars., Ireland - 71.5 thousand dollars, etc.) top the list of countries with the highest competitive indices, according to experts from the World Bank for 2016.

Uzbekistan Global Innovation Index is about 30 points (on a 100-point scale), and the republic takes a position within the 80-90th place in World Economic Forum (WEF) ranking by global competitiveness index. The gap with the average rating of this index for the leading countries (57.8) is about 2 times. In other indicators of innovative development, the gaps are even more significant: in the number of articles in international scientific journals (per million people) - almost 400 times, in the export of high-tech products (in the structure of exports) Uzbekistan is 4.5 times behind.

A similar picture develops for indicators patent activity, the number of innovative small enterprises, the share of innovative products in the volume of output industries and sectors of the economy, the presence of innovative products in the market and other indicators of innovative activity. Nevertheless, in Uzbekistan there are certain scientific and technological reserves in cotton growing, solar metallurgy (solar physics), plant breeding, biology, chemistry, mathematics, geology and a number of other areas. This state of affairs indicates relevance and timeliness of the issue of creating the necessary conditions and macroeconomic prerequisites for intensification innovation activity in Uzbekistan. A key challenge in all countries is to accelerate the technological development of the global economy, increasing competition for the factors that determine the competitiveness of national innovation systems[5]. Thus, the aim is to increase the level of innovation activity of the economy. Currently, due to the reduction of the period of realization of scientific innovations to entrepreneurs/enterprises, it is necessary to quickly respond to changing national and international needs. The main factors hindering the transition to innovative economy in Uzbekistan, are underdeveloped institutions and inadequate funding science and new technologies. In Uzbekistan there are certain divided scientific and technological backlogs in cotton growing solar metallurgy breeding plants and row other directions.

CONCLUSION

In order to accelerate development innovation economy in Uzbekistan is proposed pay particular attention to following points:

-provide incentives for enhance innovation activities that arise only in conditions of amplification fair competition competitive markets for goods and services through all kinds of contests, innovation fairs, and stimulate large corporations in the development of long-term plans innovation development;

-efficiently use credit and investment resources. An econometric analysis of world development statistics carried out at the IPMI showed that an increase in investments in science and technology, the training of researchers and technicians employed in the R&D sector, does not necessarily automatically entail an increase in total factor productivity (TFP).

This is possible only when the index the quality of the country's institutions exceeds the identified threshold a value of 5.0 on a 10-point scale. The quality of state institutions by the corruption control index is 7.2 in Chile, 5.3 in Malaysia, 7.3 in Slovenia, and 2.1 in Uzbekistan;

-focus on the modernization and development of the manufacturing sector. However this process will be lengthy and should be carried out as part of carefully planned steps based on existing comparative advantages of the country. In Uzbekistan, rural the economy plays an important role in the economy. Therefore creating new manufacturing capacities integrated with agriculture, as well as the formation of new agricultural value chains can become important an element of diversification strategies.

The main factors hindering the transition to innovative economy in Uzbekistan are underdeveloped institutions and inadequate funding of science and new technologies.

Factors of inclusive growth and innovative development

Countries	R&D expenses (% of GDP, 2015))	Human Development Index (HDI 1 = themostdeveloped)	Energy Efficiency (GDP per unit of energy consumption; dollars per 1 kg of oil equivalent per post. prices	State effectiveness (from 0 to +5)	Inclusive Growth Index (2017)	Level of compliance with current legislation (from 0 to +5)	"Corruption Control Index (0-100, where 100 - lack of corruption)
Switzerland	2,96	0,939	18,70	4,5	5,75	4,44	86
Sweden	3,3	0,913	8,89	4,3	5,3	4,54	88
United Kingdom	1,7	0,909	13,78	4,1	4,69	4,13	81
USA	2,8	0,92	7,46	4,0	4,44	4,17	74
Finland	2,9	0,895	6,28	4,4	5,04	4,52	89
Singapore	2,2	0,925	15,68	4,7	n/a	4,33	84
Ireland	1,51	0,923	17,84	3,9	5,01	4,04	73
Denmark	3	0,925	15,69	4,4	5,31	4,4	90
Netherlands	2	0,924	10,56	4,3	5,28	4,39	83
Germany	2,9	0,926	11,53	4,2	4,99	4,11	81
South Korea	4,2	0,901	6,32	3,6	4,95	3,64	53
Luxembourg	1,3	0,898	13,65	4,2	5,86	4,21	81
Iceland	2,2	0,921	2,31	3,9	5,48	4,01	78
Hong Kong	0,8	0,917	26,79	4,4	n/a	4,2	77
Canada	1,6	0,92	5,45	4,3	4,9	4,34	82
Japan	3,3	0,903	10,75	4,3	4,36	3,88	72
New Zealand	1,2	0,915	7,56	4,4	5,09	4,43	90
France	2,2	0,897	10,26	3,9	4,83	3,91	69
Australia	2,2	0,939	8,13	4,1	5,18	4,25	79
Austria	3,1	0,893	11,77	4,0	5,05	4,28	75
Country average	2,4	0,915	11,47	4,2	5,1	4,21	79,3
Uzbekistan	0,2	0,701	3,57	1,9	3,93	1,37	21
The gap between the average for countries and Uzbekistan (in	11,8	1,305	3,21	2,2	1,29	3,07	3,8

Source: author's calculations according to the World Bank (WDI) and Government Statistics Committee indicators of the Republic of Uzbekistan

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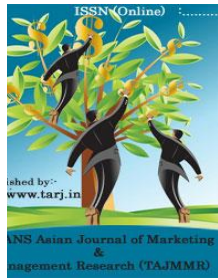
EFFICACY OF SUPPORTIVE AND RELAXATION THERAPY ON QUALITY OF LIFE AND PERCEIVED LONELINESS AMONG PCOS WOMEN

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ABSTRACT

Polycystic ovary syndrome is a major health challenge that affects millions of women across the globe. It is one of the most common conditions in reproductive aged women affecting 8-13%. Mental and physical health of PCOS women is severely affected. PCOS has been associated with a constellation of symptoms that can damage self-esteem, life satisfaction, confidence and relationships in women affecting emotional, cognitive, behavioural and social wellbeing. The aim of the study is to find out the effectiveness of Benson Relaxation and Supportive therapy on perceived loneliness and quality of life among PCOS women. The study throws light on the psychological disturbances of PCOS women and the significance of therapeutic approach. Both Supportive and relaxation therapy works to build a person's adaptability and resilience thereby helping a person frame better coping strategies for future. By using purposive sampling method 30 women aged between 25-45 years were identified through hospitals in Kerala and Two Group: Experimental &Control(15 each) design was used with pre and posttest assessment. The Personal data proforma sheet containing the component of demographic details and standardized questionnaire to measure Perceived loneliness (Perceived Loneliness Scale, Dr Praveen Kumar Jha, 1971) Quality of life(SF-36 by RAND Corporation) were used. Independent and Paired't' test were used for analysis and the results show the effectiveness of Supportive

and Relaxation therapy in reducing Perceived loneliness and enhancing Quality of life among PCOS women.

KEYWORDS: *PCOS, Quality Of Life, Perceived Loneliness, Supportive Therapy, Relaxation Therapy.*

INTRODUCTION

Polycystic ovary syndrome is a hormonal condition common among women but nowadays in particular adolescent girls also. It is characterized by excess production of the androgen testosterone, menstrual abnormalities and enlarged ovaries containing multiple small follicles. The exact cause of PCOS remains unclear, but it is believed to result from complex interactions between genetic, behavioral and environmental factors. PCOS is one of the most common conditions in reproductive aged women affecting 8-13% of reproductive-aged women with up to 70% of affected women remaining undiagnosed globally. Women with PCOS are present with multitude features including psychological (anxiety, depression, body image) reproductive (irregular menstrual cycles, hirsutism, infertility and pregnancy complications) and metabolic features (insulin resistance (IR)), metabolic syndrome, type 2 diabetes and cardiovascular risk factors. Quality of life (QOL) is a broad concept that includes subjective evaluations of both positive and negative aspects of life. Health-related quality of life is a multi-dimensional concept that includes domains related to physical, mental, emotional, and social functioning. Loneliness refers to an individual's subjective perception that he/she lacks close interpersonal relationships. Polycystic Ovarian Syndrome (PCOS) can damage self-esteem in young women, including obesity, hirsutism, acne, diabetes risk, and worries about future fertility. Zangeneh et al in 2012 articulated that clinical signs of PCOS were most closely associated with psychological distress. This revealed that it has important implications in the diagnosis and treatment of disorders. Simi et al.,2017 conducted a study to assess the effectiveness of Benson's relaxation therapy on reduction of stress among primigravid mothers. The results show that primigravid mothers who practiced Benson's relaxation therapy had significant decrease in post-test stress score. The Supportive therapy also helps to build self esteem and self confidence, thus helping to cope up with future problematic situations

REVIEW OF LITERATURE

The study by Barnard et al. in 2007 reveals that women with PCOS had lower Quality of life on all seven factors of the modified PCOSQ (emotional disturbance, weight, infertility, acne, menstrual symptoms, menstrual predictability and hirsutism). The study by Chaudhari,et al2018 revealed that presence and severity of depression and anxiety were found to have a negative correlation with QOL in all domains but maximally affecting the social relationships domain. Simi et al.,2017 conducted a study to assess the effectiveness of Benson's relaxation therapy on reduction of stress among primigravid mothers reported that primigravid mothers who practiced Benson's relaxation therapy had significant decrease in post-test stress score. Hardly few studies have been done to assess the efficacy of supportive and relaxation therapy on PCOS women and none were found to assess Perceived Loneliness among the PCOS women. Supportive therapy

also helps to improve self esteem and self confidence thereby helping the people to cope with future problematic situations.

NEED FOR THE STUDY

Women with PCOS are affected with a multitude of problems especially in all areas of their wellbeing including physical, social, emotional and cognitive. In this scenario mental health is a good predictor of physical health because it can enhance the effect of medicine and a diet plan for the patients. Both Supportive and Relaxation therapy can be used to alleviate psychological disturbances associated with PCOS thereby enhancing their adaptability and resilience and help a person build better coping strategies for the future. The present study was aimed at investigating the Efficacy of Supportive and Relaxation Therapy on Quality of Life and Perceived Loneliness among PCOS women

PURPOSE OF THE STUDY

The present study was proposed to assess the Efficacy of Supportive and Relaxation Therapy on Quality of Life and Perceived Loneliness among PCOS women

OBJECTIVES OF THE STUDY

The objectives are:

- Describe the Quality of Life and Perceived Loneliness of PCOS women before and after Relaxation and Supportive Therapy
- Compare the Efficacy of Relaxation and Supportive Therapy with regard to Quality of Life and Perceived Loneliness between Experimental Group and Control Group

HYPOTHESES OF THE STUDY

- H1: Women with PCOS undergone Relaxation and Supportive Therapy will demonstrate greater reduction in Perceived Loneliness and enhancement in Quality of Life than women who are not trained.
- H2: A significant difference exists in Quality of Life and Perceived loneliness of women with PCOS undergone Relaxation and Supportive Therapy and who have not received it

METHOD

Participants

The target population for this study is PCOS woman. A total of 30 participants was identify through hospitals from Kerala state for the present study. Of the total 30 samples, 15 each will be in the Experimental group and the Control group. The age range of the participants is 25 to 45 years, with a mean age 35 years. The Purposive sampling design was used for the present study.

Research Design

Two groups Experimental and Control Pre Post design was followed for the present study.

The inclusion criteria were:

- Patients registered in private hospitals and diagnosed with PCOS

- Patients in the age group between 25 to 45 years
- Patients belonging to Alappuzha district ,Kerala

The exclusion criteria were:

- Patients with other psychiatric illness
- Patients with other chronic physical illness

INSTRUMENTS

The following measures were used for the study and found to have adequate reliability and validity for the research purpose

- Personal data proforma: It is used to measure the demographic profile such as age, gender, place, education, occupation, family income and other physical illness
- Perceived Loneliness scale (L-scale):was developed by Dr. Praveen Kumar Jha(1971).The questionnaire consists of 36 five point scale items found to be significant indicating the degree of loneliness of human nature. It is a self report tool in a five point Likert format..Five response categories are: Totally agree; Agree; Cant say; Disagree; Totally Disagree. There are positively worded statements and negatively worded statements. The minimum and maximum scores ranges between 36and 180.High score is to be interpreted and high loneliness and low score as low loneliness of the respondent..The scale has fairly high reliability. The obtained value through K.R method is 0.65 and two test retest reliability were found to be 0.84 and 0.82 respectively. The validity of L-scale was done by three ways, content validity, predictive validity and concurrent validity and experts confirmed that it possessed all the three validity.

- The RAND Health Survey (Version 1.0): It is developed by RAND organisation. It consists of eight concepts like physical functioning, role limitations due to physical health problems, role limitations due to personal problems, bodily pain, emotional well-being, social functioning, energy/fatigue, and general health perceptions.

Scoring the RAND 36-Item Health Survey is a two-step process. First, precoded numeric values are recoded per the scoring key Note that all items are scored so that a high score defines a more favorable health state. In addition, each item is scored on a 0 to 100 range so that the lowest and highest possible scores are 0 and 100, respectively. In the next step, items in the same scale are averaged together to create the 8 scale scores. These 36 items are similar to the MOS SF-36 described in Ware and Sherbourne (1992).It has fairly high reliability ranging from 0.78 to 0.93 for the eight concepts measured

INTERVENTIONS

Supportive therapy

Supportive psychotherapy is a talking-based therapy.It is designed to allow a person with mental health issues to voice their concerns, and receive encouragement and help in finding practical solutions. It also attempts to increase a person's ability to adapt to situations that previously might have caused them stress. It aims to beat the symptoms and maintain, restore or improve

self-esteem and skills. Supportive psychotherapy aims to help a person build better coping strategies for the future since it helps to improve adaptability and resilience.

Benson Relaxation Response

The term, 'Relaxation Response' was coined by Dr. Herbert Benson, professor founder of Harvard's Mind/Body Medical Institute. It is defined as personal ability to encourage the body to release chemicals and brain signals that make muscles and organs slow down which inturn will increase blood flow to the brain. Research has shown that regular use of the Relaxation Response can help any health problem that is caused by chronic stress, anxiety disorders, and hypertension others. This technique can be applied to a wide variety of health conditions including fertility.

Statistical technique used: Data were analyzed with the SPSS for Windows Version 20. Mean and Standard Deviation was used to compare groups, independent't' test and paired't' test was used to test the mean significant difference.

RESULTS AND DISCUSSION

TABLE 1: SHOWS THE MEAN , SD FOR THE VARIABLES PERCEIVED LONELINESS AND QUALITY OF LIFE

Group Variables	Experimental Group Pre-test(N=15)		Control Group Pre-test(N=15)		Experimental Group Post-test(N=15)		Control Group Post-test (N=15)	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Perceived Loneliness	138.67	13.21	125.00	17.43	84.93	30.39	124.47	19.10
Physical functioning	39.33	6.23	44.67	6.11	54.67	7.89	46.00	4.71
Bodily Pain	14.17	16.87	25.67	13.68	65.17	22.08	26.50	13.02
Role limitation due to physical health	3.33	8.79	6.67	11.44	50.00	0.000	6.67	11.44
Energy /Fatigue	30.67	7.98	12.67	13.35	63.33	9.76	12.67	13.35
Emotional Wellbeing	22.27	3.12	22.93	3.77	58.93	2.82	22.40	3.56
Social functioning	7.50	6.33	2.50	5.18	59.17	12.02	2.50	5.18
General Health	22.00	6.21	20.00	6.55	58.67	2.28	19.00	6.04
Health change	1.67	6.46	10.00	12.68	26.67	6.46	10.00	12.68

By closely looking at the mean score between the experimental group post-test and control group post-test, it is seen that the experimental group got lower mean value for Perceived Loneliness and higher value for Quality of Life than the control group. With respect to the dimensions of Quality of life, higher score indicates the higher level of Quality of life. The lower scores of Perceived loneliness indicate low loneliness.

TABLE 2: SHOWS THE T VALUE FOR THE EXPERIMENTAL AND CONTROL GROUP

Group / Variables	Experimental Group Post-test V/S Control Group Post-test		Experimental Group Pre-test V/S Experimental Group Post-test	
	t-value	Sig	t-value	Sig
Perceived Loneliness	-4.27	**	8.66	**
Physical functioning	3.65	**	-6.35	**
Bodily Pain	5.84	**	-7.89	**
Role limitation due to physical health	14.67	**	-20.55	**
Role limitation due to emotional problems	7.95	**	-8.08	**
Energy/Fatigue	11.87	**	-9.48	**
Emotional wellbeing	31.17	**	-30.61	**
Social functioning	16.78	**	-14.22	**
General Health	23.80	**	-22.00	**
Health Change	4.54	**	-361.00	**

**p<0.05level of significance

TABLE 3 :SHOWS THE T VALUE FOR THE CONTROL GROUP PRE-TEST AND POST-TEST

Group / Variables	Control Group Pre-test V/S Control Group Post-test	
	t-value	Sig
Perceived loneliness	0.18	0.86
Physical functioning	-1.33	0.20
Bodily Pain	-1.00	0.33
Role limitation due to physical health	0.00	1.00
Emotional wellbeing	1.29	0.22
Social functioning	0.00	1.00
General health	1.38	0.19
Health Change	1.4	0.16

**p<0.05level of significance

It is seen from the table 2 that the experimental group post - test and the control group post – test, and Experimental group pre and post -test mean scores differ significantly in Quality of Life and Perceived Loneliness. The significant difference is beyond 0.05 levels. The results highlights that the experimental group displayed a significant higher response in Quality of Life and lower response in Perceived Loneliness. PCOS women were identified as having high loneliness and low quality of life. The present study showed that Supportive and relaxation therapy was effective in reducing loneliness of PCOS women who regularly attended the therapy sessions.

It is seen from the table 3 that there is no significant difference found between control group pretest and posttest in Quality of life and Perceived Loneliness variables. The results shows that control group had no positive effect by any extraneous variable and they had high level of loneliness and decreased Quality of life.

DISCUSSION

Supportive psychotherapy aims to reduce anxiety as well as help people with mental health issues to discover their own resilience. It also attempts to increase a person's ability to adapt to situations that previously might have caused them stress. Learning the Relaxation Response is a great skill that can help to better equipped to deal with life's unexpected stressors, heal ourselves, and achieve better health. Both Supportive and Relaxation therapy have been successful in addressing changes in each of the dependent measures.

Markowitz (2014) provided definitions on supportive therapy and also examined the importance of it in clinical settings which is a support for the present study.Mariam Philip.N and Sumathi .G(2012) conducted a study to assess the effectiveness of Bensons relaxation therapy on stress and coping among mothers with high risk pregnancy admitted at antenatal wards of Sri Ramachandra hospital. The results show that the therapy helped them to reduces stress levels and enhanced coping among mothers with high risk pregnancy. Reig-Ferrer et al (2014) conducted a randomized controlled study 'A relaxation technique enhances psychological well-being and immune parameters in elderly people from a nursing home.The results show that there was a decrease in negative affect and psychological discomfort and increased participants quality of life.

The above mentioned review of studies strongly supports for the present study and no reviews were found to assess the loneliness among PCOS women. The present study was also unique to find the efficacy of relaxation therapy and supportive therapy on different sample. The findings of the present study proves that the therapies had a positive effect on the sample and it helped them to manage their psychological problems associated with their physical illness.

CONCLUSION

The study revealed the efficacy of the intervention techniques that is using Supportive and relaxation therapy in PCOS women. The experimental group recorded a significant improvement in Quality of life and reduction in Loneliness.

LIMITATIONS OF THE STUDY

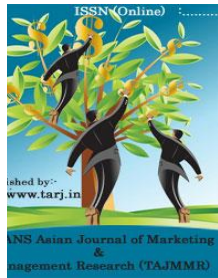This study was carried out with the following limitations

- The sample size is only 30(15 each in experimental and control group)
- Study was confined to specific geographical area which imposes limits on generalizations
- The study was limited only to women did not include adolescents
- Follow up evaluation have not been done

SUGGESTIONS

It is recommended that further research shall be carried out keeping in view of the limitations as mentioned. The study could include more samples and other age group as in adolescents. Long term study and subsequent follow up is recommended.

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USING THE ADVANTAGES OF "NAVOI" FREE INDUSTRIAL-ECONOMIC ZONE TO ATTRACT FOREIGN INVESTMENT

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ABSTRACT

The article highlights the role and importance of free economic zones in attracting foreign investment. The development and problems of the "Navoi" free industrial and economic zone are studied. It is proposed to create a unique investment model for attracting foreign investment to the "Navoi" Free Industrial and Economic Zone.

KEYWORDS: *Investment, Foreign Investment, Frees Economic Zone, Cluster, Innovation, Directorate, Free Industrial-Economic Zone, Investment Potential, Image Creation Model.*

INTRODUCTION

Navoi region is the most attractive region in Uzbekistan for attracting foreign investment. The region is one of the leading regions of the republic's economy in the non-ferrous metallurgy, chemical and construction industries. The region accounts for 5.3% of the country's GDP. The "Navoi" Free Economic Zone has a unique economic potential in the country, with the opportunity to attract foreign investment, especially direct investment, to produce products that are in demand in world markets, to organize modern, high-tech industries.

In the "Navoi" free industrial and economic zone, 19 enterprises are effectively operating, producing more than 100 types of consumer goods. Since the establishment of the "Navoi" Free Economic Zone, a total of 122 million. The investment was made in the amount of USD. About 35% of investments in the region are foreign direct investment.

According to the Decree of the President of the Republic of Uzbekistan dated December 2, 2008 No PD-4059 "On the establishment of a free industrial and economic zone in Navoi region", the first free zone in Uzbekistan – "Navoi Free" Industrial and Economic Zone (FIEZ) was established in Karmana district of Navoi region . The term of the "Navoi" Free Economic Zone

is 30 years, with tax, currency and customs regimes, and a simplified procedure for entry, stay, and exit.

THE MAIN FINDINGS AND RESULTS

In order to create favorable conditions for doing business, development of innovative entrepreneurship and high-tech industry, the President of the Republic of Uzbekistan adopted Resolution No. PD-5719 of 15 May 2019 "On measures to establish "Navoi region as a free economic zone for innovative, high-tech, export-oriented and import-substituting industries". The resolution defines the territory of Navoi region until January 1, 2030 as a free economic zone for innovative, high-tech, export-oriented and import-substituting industries.

One of the main tasks for the development of Navoi region as a free economic zone is "Attracting direct investment to build modern productions for the production of export-oriented and import-substituting products with high added value".

Despite the similarities between the definitions of the "Navoi" free economic zone and the models used in other countries in terms of incentives, services and regulatory framework for investors, the current economic model does not meet its objectives:

➢ despite the simplified procedures established in practice to create conditions for foreign investors within the free economic zones, there are cases of delays in the implementation of investment projects under the influence of the general investment climate in the country;
➢ FEZ does not have a high share in the total industrial output of the region (less than one percent at the end of 2019);
➢ the share of far abroad countries in FEZ investments is still low, the main partners are China, Russia and Turkey;
➢ the slow pace of efforts to create an investment image in the region does not create a sense of "confidence" in investors from far abroad (Western Europe, the United States, Canada), large brand companies;
➢ limited access of domestic investors to international loans and high interest rates on loans from local banks limit the opportunities for local entrepreneurs to implement large investment projects with foreign partners;
➢ the fact that foreign capital is mainly directed to traditional industries does not create sufficient opportunities for innovative development of the region;

There are a number of features of attracting direct investment to free economic zones. In particular, the main focus in attracting foreign investment to the country is related to the understanding of the decision of the international investment campaign to invest in the country. Rather than the "scientist" or "incentives" to investors formed in the country, the "motive" plays an important role in an investor's decision-making. It is the "motive" that is the most debated process among investors in the country [1, pp. 63-69].

Developing countries focus on export development while attracting direct investment, while developed countries tend to develop more clusters. Free economic zones should have clear business opportunities and benefits for investors. If similar or better conditions exist outside the zone, agglomeration and overall economic impact will be limited.

In the "Navoi" Free Economic Zone, the use of the simplest models has been chosen in comparison with the successful zones of international activity in attracting export-oriented direct investments. The focus is on an economic model focused on import substitution. Efforts to replace imports are different from the traditional international model if this approach does not involve a value chain. Therefore, it is necessary to implement specific network or cluster initiatives that support the development of value chains in the FEZ. It has been only 3 years since the launch of cluster initiatives in Navoi region. This is the main focus of attracting direct investment in FEZ.

The above problems set the task to create a unique investment model for attracting foreign investment to the "Navoi" free economic zone.

Particular attention should be paid to the development of the basic principles of creating a successful international model in the Navoi FIEZ. In practice, it is necessary to pay attention to the creation of a model that is consistent with the socio-economic policy of the region, where FEZs run horizontally, vertically and with specific spatial goals.

Based on the results of the study, the following scenario options for creating a model for attracting foreign direct investment in the free economic zone of Navoi region are proposed:

Option A: traditional import-substituting and export-oriented model;

Option B: a clustering policy model aimed at ensuring a globally set value;

Option V: image creation model;

Option G: a model aimed at ensuring innovative development;

Option D: regional development-oriented model;

Table 1 describes the expected benefits and opportunities for attracting foreign investors to the Navoi Free Economic Zone, which are suitable for the identified strategic options.

TABLE 1 OPPORTUNITIES AND RISKS OF APPROACHES TO ATTRACTING FOREIGN INVESTMENT TO FEZ

Models	Opportunities	Risks
The traditional export-oriented model	Growth of exports and diversification of efficient use of resources; Increase in foreign exchange earnings;	Establishment of monopolies in the local market; Ruthless use of raw materials;
Clustering policy model	Completion of active participation in the global value chain; Guaranteed system of equal rights with investors; Restriction of limitation; Use of the cluster method in modernization and structural changes; Zones become a catalyst for development for the region; An integrated approach that combines	Free competition in the global market; Legislative and administrative systems need to be radically reformed; A complete overhaul of the infrastructure is required;

	the horizontal and vertical aspects of industrial policy;	
Image creation model	A unique motive is formed for investors; Local brands are formed; The country's international investment rating will increase;	It takes a long time; Develops in connection with the image of the country; The structural structure needs to be radically reorganized
Innovative development model	Innovative clusters are formed; Opportunity to fully use the investment potential of the region; Innovative competence of staff will increase; New resources are being developed;	Government intervention in investment policy is completely limited;
A model focused on regional development	Supporting regional development; Reducing regional differences; Effective implementation of regional development programs; Job creation; Increasing staff capacity and innovation competence;	Underutilization of investment potential; Limited opportunities to attract foreign investors; Vertical integration of industry

Investment projects in the Navoi Free Economic Zone are based on certain situations or opportunities. Active and systematic targeted research with a coordinated strategic action program covering the entire investment cycle is needed to increase the investment potential of FEZs.

The Economic Zone Directorate for the formation of the investment model in the "Navoi" Free Economic Zone must perform a number of tasks in its activities:

➢ assessment of investment and clustering opportunities by the directorate, taking into account the opportunities for attracting small and medium-sized businesses;
➢ increase the effectiveness of measures to attract investors to target groups. In particular, the development of trade fairs and marketing activities;
➢ it is necessary to monitor the growth trends of investment potential, increase the coverage and quality of services provided to investors, the introduction of more incentive systems.

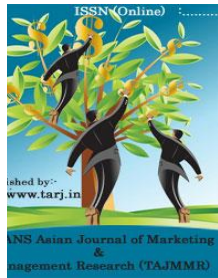Monitoring should be strengthened, as well as focus on identifying the main problems of potential investors in the zone and changing the business environment.

CONCLUSION

The results of the study show that the "Navoi" FEZ Directorate should review international experience develop an economic model and effectively implement this model in the framework of economic policy and incentive systems.

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THE LEADERSHIP STYLE IN BANKING SYSTEM WAYS OF INCREASING THE EFFECTIVENESS OF COMPANIES IN CORPORATE GOVERNANCE

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ABSTRACT

The current stage of development of the economy of Uzbekistan is characterized by change perceptions about its structure and directions of development. It should be noted that during the years of reform in the country has changed not only a positive experience of formation and functioning of enterprises of the real sector of the economy, but also scientific-theoretical substantiation of opportunities, trends and pace of structural reform. Nevertheless, the available development have not provided the necessary qualitative changes at both the macro and micro levels, and many companies still continue to come on to the market without clear methodological and practical guidelines. One of the causes of the crisis in the real economy and banking system is the low efficiency of management. Very slowly there is a change of stereotypes of thinking, existing for decades. Economic sustainability of enterprises and their progress to the civilized market depends on many factors, among which an important place occupied by such instruments of influence, like the image, style and head of management.

KEYWORDS: *Leader, Image, Style, Innovation, Status, Manager, Company, Personnel, Leadership, Management, Profit, Successful Company, High Demand.*

INTRODUCTION

In recent years has increased significantly the number of organizations, their qualitative growth also increased significantly. In this regard, there was a need for effective management of human resources. The modern manager must be able to implement financial - economical activities, organize personnel actions and direct them to the desired channel. It has different characteristics.

Management - a specific organ functioning enterprise. This type of operational art with its everyday decisions related to policy implementation, to ensure profits, to minimize losses.One of the major problems in management is leadership.

The practice of management leadership - the ability to effectively use all available sources of power for the transformation created for other vision into reality. Leaders use power as a tool in achieving the purpose of the group or organization. If the leaders reach the goal, the government as a means used by them to accelerate this achievement.

Every organization is a unique combination of individuals, goals and objectives. Each control - a unique personality, with a number of abilities. Therefore, leadership styles cannot always be attributed to a particular category. The main objective of the study is to analyze the classification of leadership styles that are used in their practice managers and choose the most optimal variant combinations of methods of influence on workers.

Gisela suggests that leadership qualities are associated with verbal ability and value of the individual. On what basis did the conclusion: the presence of these personality traits predict managerial success. Personal qualities of a leader:
• Intelligence in verbal and symbolic terms;
• Initiative, the ability to direct activity of desire in a new direction..;
• Self-confidence;
• Attachment to the employees;
• Determination;
• Masculinity (men) and femininity (women);
• Maturity;
• Motivational skills.
Analysis of real groups showed that sometimes a leader is a person who does not possess these qualities, and, on the other hand, a person can have the quality of data, but not the leader.

MATERIALS AND METHODS

Leadership - the ability to influence individuals and groups of people, to encourage them to work to achieve the goals. There are many means by which it is possible to influence others and lead people. Effective leadership and effective management is not the same thing. Therefore, the question arises: how to behave as the manager, who is the leader? What means of influence and styles of behavior proved to be most effective in helping to guide people to achieve the organization's goals? These are complex questions, and the answers to them are not on the

surface. Leadership theory tries to identify and predict which leadership characteristics are most effective and why. The researchers used three approaches to determining the important factors of effective leadership: an approach from the perspective of personal characteristics, behavioral approach and situational approach.

An integral part of, and the main characteristic of leadership effectiveness is the image that uses leader. A study conducted by scientists of image management for more than half a century. Researchers have accumulated to date, considerable material on this issue.

Nowadays image is an essential part of the professional relationship. The term "image" has spread throughout the world and taken root in almost all language cultures. The etymological concept image goes back to the French image, which means "the image, view". This visual appeal of personality, self-presentation, construction of man's image for others. Main importance in forming the image of the organization is an image of its first-person. It is the first person of the company largely depends on important decisions, and how the company is perceived by society. It is the first persons we often see in the media, and from them obtain most of the information on the functioning of the organization and, therefore, associate with them all the activities of the organization. Thus, the image of the head is one of the major factors of formation of image of the organization.

The main features characterizing the head of a large organization, should be a clear statement of goals, commitment to active communication, credibility and effective action. The image of the head directly determines the image of the company.

The key difference leader's ability to look ahead, to inspire and lead the team to create and innovate in the organization.

Examples of innovative leaders - Leonardo da Vinci. Nicolaus Copernicus, Isaac Newton, Peter. Among modern innovative leaders - Richard Branson, Steve Jobs, Elon Musk, Bill Gates, Michael Dell, Larry Ellison, Sam Walton, Estee Lauder, Jack Welch, Sergey Brin, and many others. Leaders of innovation do not go the beaten paths and paving the new, often experimental way in a totally unfamiliar environment.

The fundamental differences between the traditional andinnovation leadership.

TRADITIONAL LEADERSHIP	INNOVATIVE LEADERSHIP
The personal role	The role of the team
Conservation authority and the status quo	Searching for a new and a willingness to take risks
Building on experience	Support for innovation
The resource - capital	The resource - knowledge
Tough standard communication system	Teams become the axis around which revolve all the processes
The vertical hierarchy	A fundamentally new, network communications system
Relationship 'boss - subordinate "	Partnerships - on an equal footing

Result and discussion

Nowadays leadership is transformed. The modern leader is not a dictator, but the inspiration; it does not provide solutions, and allows them to develop their team, its strength is not based on the authority and on a sincere recognition of the contribution of employeesachievement. The new leadership is based on understanding of its mission, the knowledge of their strengths and effective team development.

Briefly the following figure below shows factors which influence to satisfy needs of the employees of the bank.
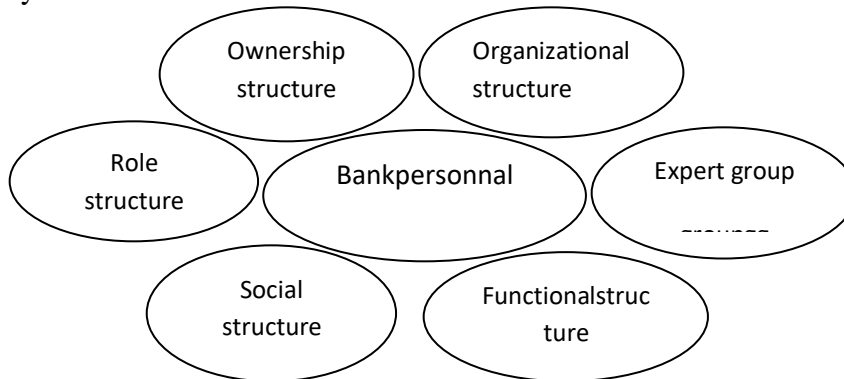
As an example was chosen Joint Stock Commercial Ipoteka Bank in Tashkent.
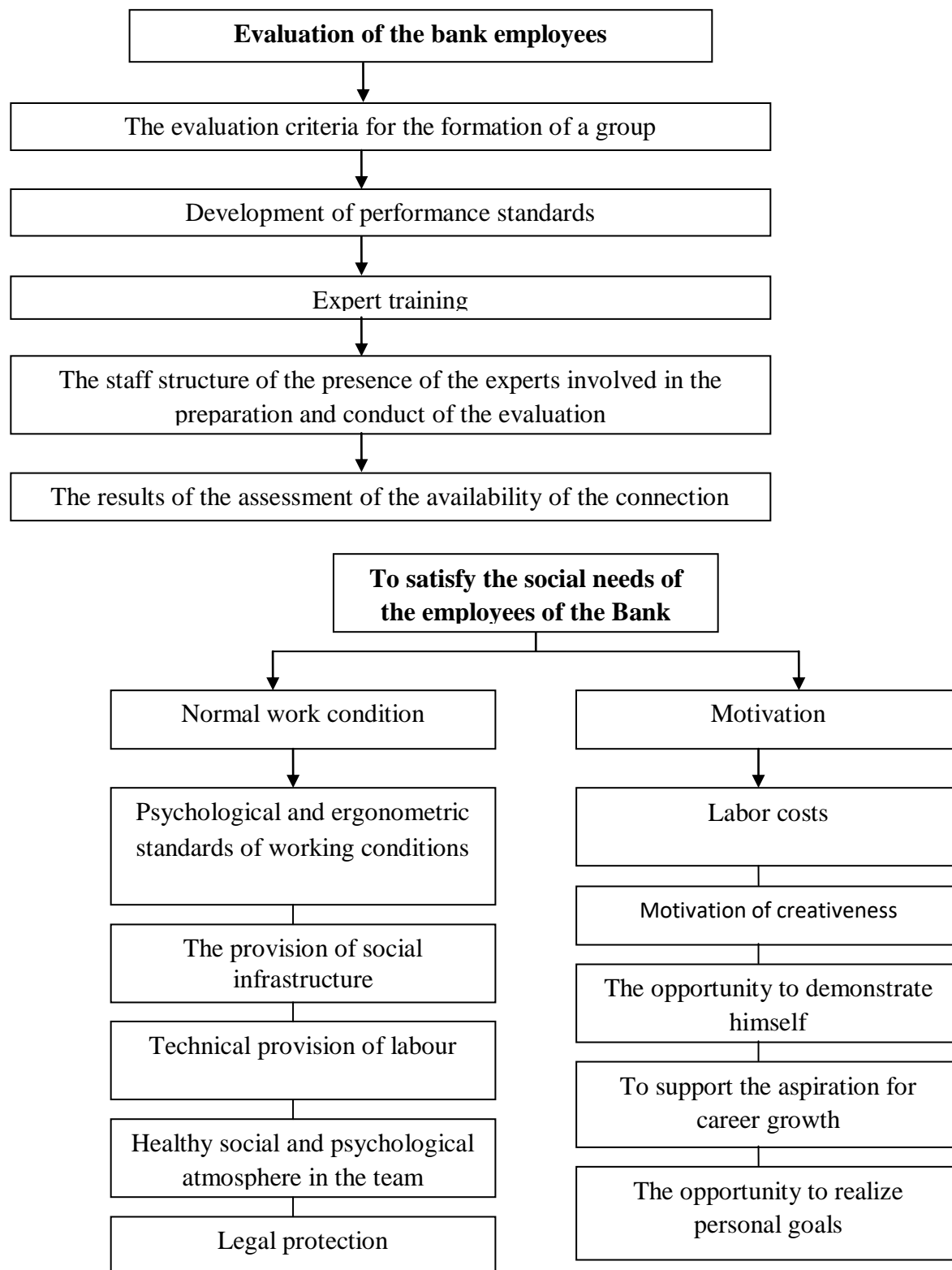
"Ipoteka-bank" was established by the Decree of the President of the Republic of Uzbekistan "On further development of housing construction and the housing market," PP-10ot from 16.02.2005.

Active Bank is a banking services market, providing a wide range of services to businesses, large enterprises, as well as to the people of Uzbekistan.

Ipoteka Bank is a financial institution with extensive experience in the field of Ipoteka lending and housing finance.

Ipoteka Bank - considered the largest universal bank providing a wide range of all kinds of banking services through a well-developed network of branches. The Bank has a rating from international rating agency «Moody 's Investors Service» and «Standard &Poors».

Currently, the "Ipoteka Bank" has an extensive branch network of 38 branches, 128 mini-banks open in all regions of the Republic of Uzbekistan, as well as a modern banking services to more than 70,000 businesses and 680,000 individuals. Along with a wide retail and Ipotekas consumer credit, household deposits exceeded 473 billion soums, received the annual accounts amounted to 728.4 billion soums for municipal services. The figure below illustrates the evolution of bank employees:

Evaluation of the bank employees

The evaluation criteria for the formation of a group

Development of performance standards

Expert training

The staff structure of the presence of the experts involved in the preparation and conduct of the evaluation

The results of the assessment of the availability of the connection

To satisfy the social needs of the employees of the Bank

Normal work condition	Motivation
Psychological and ergonometric standards of working conditions	Labor costs
The provision of social infrastructure	Motivation of creativeness
Technical provision of labour	The opportunity to demonstrate himself
Healthy social and psychological atmosphere in the team	To support the aspiration for career growth
Legal protection	The opportunity to realize personal goals

Factors influence to satisfy needs of the employees of the bank.

Currently, the "Ipoteka Bank" has an extensive branch network of 38 branches, 128 mini-banks open in all regions of the Republic of Uzbekistan, as well as a modern banking services to more than 70,000 businesses and 680,000 individuals. Along with a wide retail and Ipotekas consumer credit, household deposits exceeded 473 billion soums, received the annual accounts amounted to 728.4 billion soums for municipal services.

Based on this goal of "Ipoteka Bank" is to create the maximum economic value for its shareholders and customers of the bank. The Bank is one of the most reliable and diversified financial institutions in Uzbekistan and occupies a worthy place in the top five of the largest Uzbek banks in terms of assets and equity. The bank is more than 6 years Active banking services market, providing a wide range of services to businesses, large enterprises and the people of Uzbekistan. The main directions of the bank's activities are focused on attracting free funds of enterprises and population, and on this basis to stimulate the development and lending sectors of the economy, the adoption of an active participation in the economic reforms carried out in our country.

An important direction in the activity of the Bank is lending to the real sector of the economy. The Bank has worked to attract investment grants from international and local financial institutions to finance projects of large enterprises and small businesses, as well as the further development of Ipoteka lending. As a result, we have been involved and developed - a credit line in the amount of 5 million euros KfW German bank, finance line of $ 2.5 million of the Islamic Development Bank and US $ 10 million of the Islamic Corporation for Private Sector Development. At present, the development of a line of credit of $ 28 million. Euro German "Commerzbank" and 25 million. Euro "Landesbank".

Bank Ipoteka Bank has a rating - "Stable" from the international rating agency «Moody 's» and «Standard &Poors». "RIA Rating" Russian Agency announced the list, which consisted of 200 of the largest commercial banks in the CIS, where Ipoteka Bank took the 4th place among national banks.
Ipoteka Bank collaborates with many organizations of the Republic of Uzbekistan.
This we can see Membership Ipoteka Bank with organizations:
1. The Association of Banks of the republic of Uzbekistan
2. Guarantee Fund deposits of citizens in the bank
3. Currency Exchange of Uzbekistan
4. Stock Exchange "Tashkent"
5. National Institute of Credit Information (NICI)
6. National Information Base data bank depositories (NIBDD)
7. National Payment System UZKART
8. Association VISA member banks
9. The international payment system SWIFT
Head of JSCIB "IPOTEKA BANK" clearly planned their time by distributing the work to the current document in the intervals between meetings, meetings, reception of visitors. Also, he is

interested in innovations in equipment, computer equipment for the self-release of the product sold now, trying to learn from the most successful development and motivate their employees. It provides precise control over the execution of orders. It uses in his leadership, not only material but also moral incentives.

NodirRahbarov - the head of the city branch, JSCIB "IPOTEKA BANK". NodirRahbarov trying to develop the company's commitment to employees, to smooth their dissatisfaction. It should also be noted that the director is trying to take care of subordinates, concern their problems.

Bank Advertising is simple and honest, it is no exaggeration, just the facts. It is also, in my opinion, characterizes the positive side of its head, as the image of the man as the head of the company is inseparable from the image of the firm.

When considering me factors such as bad press, I had to face the fact that none of JSCIB "IPOTEKA BANK" or his head at all in recent years did not appear in the press.
Disadvantages of the image of NodirRahbarov can call him too polite and calm communication with other people, the idea may arise from a stranger, especially from a customer It is also some disadvantages in the image of the head, given that the bank is small, and all employees are "in plain sight" - his own inaccessibility, even a closed, company employees, arbitrary or not receiving information about each other, almost do not know anything about his personal life , the habits of his head.

To improve the image of the bank and the manager as well as a publicity stunt, you can make the publication of a brief description of the kind of activity of the company, its achievements, work experience in this market, and along with its leader, who has for several years made every effort for the welfare of company. This would immediately improve the image of the head of JSCIB "IPOTEKA BANK" in the eyes of existing and potential customers.

CONCLUSION

Formation of the image is not a change in the person's personality. This process can not make one person completely different. Therefore, it is important for the head of a basic knowledge of psychology in order to be able to evaluate the psychological characteristics of self and skillfully use their strengths and weaknesses. Understanding personality traits may help to understand the reasons for the existence of the created, the original image. Knowing your own strengths and weaknesses (to perform any work, since there is virtually no merit and "general" deficiencies, except for compliance with the norms of morality) is a significant advantage of every leader. This knowledge is the key to the correct use of the advantages and avoidance of situations associated with the manifestation of drawbacks. Already only this knowledge can contribute to improving the impression produced on the head of others, which is, in fact, is the image. On the other hand, knowledge of psychology allows the head to correctly assess the actions of subordinates and to shape their attitude to himself

The leader may conduct a survey among its employees. The questionnaire should not be directly devoted to his image. Questions should be carefully worded in order to meet the subordinates sincerely. You can post questions devoted towards the head of the person and the methods of management, among others, for example, dedicated to improving the quality of products. In preparing such a questionnaire it is also desirable to take the help of a specialist. Possible to use a technique Defect exemplified above. However, when using this technique, professional help is needed. The manager can not use it on their own, as in this case, the answers are far from reality (especially if it is the top-level manager).

Results of the study show that the share of the banking sector leaders focused on solving industrial problems, significantly higher than the proportion of those managers who are guided by the interests of the people: 68% versus 32%.

The largest share of managers focused on achieving financial results, was among those who run the privatized enterprises - 72%. The leaders of a joint bank it is lower - 67% and 66%, respectively. It follows that the greatest concern of people exhibit the heads of state banks-34%, slightly lower - leaders of private institutions - 33%, and the lowest degree of orientation in the interests of the people at the heads of joint-stock commercial - 28%.

With the increase of the private sector in the economy in recent years, the greatest role is played by the head of the company. He needs to be addressed on a daily basis arising from the exercise of his functions the problem, while an important role is played by the ability to competently communicate with people, to inspire confidence, to convince. It was then, and plays a role image. From what kind of opinion has been formed on the head, depends not only on his personal success, but also the success of the enterprise as a whole.

Modern managers need to pay great attention to the creation of its image, it is necessary to know not only the basic components of the image, and the way of their formation, but also be able to use in practice the psychological and behavioral techniques.

Various situational models help to understand the need for a flexible approach to management. To accurately assess the situation, the manager must be of good ability and their own subordinates, the nature of the problem, the needs, the authority and quality of information. The manager must always be ready for the re-evaluation judgments and, if necessary, the appropriate leadership style to change.
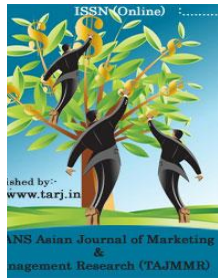Taking into account the above listed can give the following recommendations:

➢   improve the human resources policy in JSCB "IPOTEKA BANK"
➢   to introduce innovative ideas (motivation) in bank management
➢   use the positive side of the experience of developed countries
➢   create centers of formation of the image of leaders and train
➢   potential leaders
➢   regularly raise qualification of personnel
➢   recertification and control frames

A leader who wants to work as efficiently as possible, to get everything you can from subordinates, cannot afford to use any one style of leadership throughout his career. Rather, the manager must learn how to use all styles, types and methods of influence, the most suitable for a particular situation. Leadership, as well as management, is to some extent an art.

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TRANS Asian Journal of Marketing Management Research (TAJMMR)

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THEORY OF CORRELATION CONNECTIONS IN DETERMINING THE BODY WEIGHT OF A PERSON USING FORMULAS

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ABSTRACT

The article examines the methods by which students acquire skills and qualifications in the subject of mathematical statistics departments studied in the subject of mathematics. Because of the study of the subject, the student will have a general understanding of functional, statistical and correlation connections. Methods of Correlation analysis - a method that allows you to detect the relationship between several random variables-are shown

KEYWORDS: *Definition Of Functional, Statistical And Correlation Links, The Concept Of A Correlation Table (Correlation Grid), Examples Solution, Observations On Random Quantities (Characters) Of X And Y, A Result Of Observations (X_i; Y_i), The Body Mass Index, Body Weight, Height, Volume, Nutrition, Lifestyle.*

INTRODUCTION

Less than three days people suffer from other diseases, such as obesity. According to the latest data from the World Health Organization (WHO), more than 1 billion people in the world are overweight. This problem is relevant regardless of social and professional affiliation, place of residence, age and gender. In economically developed countries, almost 50 percent of the population has excess weight, 30 percent of them have obesity. In Russia, on average, 30 percent of people of working age are obese, 25 percent are overweight. Every year the number of children and adolescents with obesity increases. Who sees obesity as a global epidemic in which millions of people live.[3]

To diagnose obesity, you need to take into account the following:

The age at which the first signs of the disease appear;

Recent changes in body weight;

Family and professional history;

Eating habits;

Exercise;

Harmful habits;

tirishga recent attempts at reducing body weight;

Mental-social factors;

Application of various drugs (laxatives, diuretics, hormones, food additives).

The body mass index (BMI) is the ratio of the weight and height of a person recognized by the World Health Organization. In addition, the normative level of indicators varies depending on the age at which they are observed. The formula for calculating BMI is suitable for an" average " person: over 17 years of age, height from 155 cm to 2 m. For Children, professional athletes who make up a large part of muscle mass, pregnant and lactating women, as well as elderly people with brittle physique, this method is not suitable.

Main part

Body mass index (BMI) helps you quickly determine whether a person has excess weight or not. And so it shows the presence of predisposition to a number of diseases: diabetes, hypertension, arthritis, diseases of the cardiovascular system, osteoporosis, infertility, etc.

In addition, correlation analysis and its calculation methods will help you calculate your body mass index.

The results of observations are respectively as you have omitted observations on random quantities (characters) of X and $Y( ), ( ),......( )$ if it consists of two, then the connection between X and Y can be described in the form of this table.

x_i	x_1	x_2	$\dots$	x_k
y_i	y_1	y_2	$\dots$	y_k

If the number of pairs formed as a result of observations $(x_i; y_i)$ is large, as well as some of them are reproducible, then instead of the above table, the following two-dimensional table can be cited.

X \ Y	y_1	y_2	$\dots$	y_s	M_x
x_1	m_{11}	m_{12}	$\dots$	m_{1S}	M_{x1}

x_2	m_{21}	m_{22}	...	m_{2S}	M_{x2}
.	.	.	.	.	.
.	.	.	.	.	.
.	.	.	.	.	.
.	.	.	.	.	.
x_k	m_{k1}	m_{k2}	...	m_{ks}	M_{xk}
M_y	M_{y1}	M_{y2}	...	M_{ys}	n

This table is called a correlation table or a correlation grid.

To calculate the body mass index, the weight in kilograms is required, the height is taken square, IE. BMI = weight (kg) / height (m^2). For a girl whose length is 162 cm and weight 60 kg, the formulas will be as follows: 60 / 1.62 * 1.62 = 22.86. By the way, such an indicator is the norm.

The weight of a person depends on the height does not depend on the functionality. The weight and height of a person are determined by almost the same factors, the number of which is very large (age, heredity, physiological characteristics, social conditions, environmental conditions, etc.).). Therefore, we can say that the weight of a person depends on a number of random variables. Among them, we can assume that the neck is the main one. This dependence is determined using the concept of probability. For example, the weight of a young person with a height of 175 cm can be equal to 75 kg, but it can also be said that he lies in the range from 70 kg to 80 kg.[1]

This type of fasteners is called stochastic, most likely, or statistical. They exist between the biological parameters of a person, animal or plant; the student's abilities and the quality of knowledge. Between self-assimilation; between the attitude of society to education and the level of crime; between the appearance of soldiers and their combat abilities. There are many similar examples.

The most important type of statistical connectivity is correlation connectivity. Based on the results of the observations, we will show how to describe the correlation correlation. Table 1 lists the weight and height measurements of twenty cadets.

№	1	2	3	4	5	6	7	8	9	10
neck	178	170	181	178	169	178	177	165	187	182
weight	72	65	92	75	68	79	78	67	80	81
№	11	12	13	14	15	16	17	18	19	20
neck	159	182	178	173	176	173	198	187	191	170
weight	56	82	77	63	80	65	85	89	87	72

TABLE 1 THESE RESULTS CAN BE DRAWN ON THE GRAPH WITH THE COORDINATES OF THE CORRESPONDING POINTS.
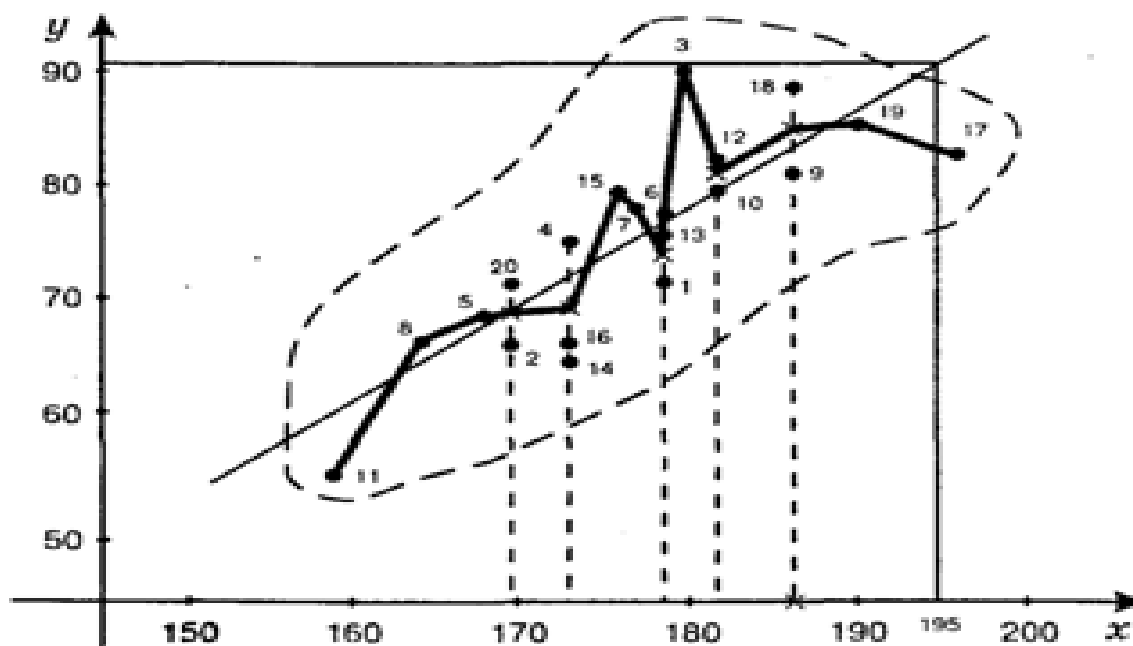
The points found lie in a certain area or a dashed line indicates «cloud», this area. X and Y are correlated quantities, that is, as the height increases, usually the weight also increases. In each interval, we connect the points corresponding to the average values; we get a curve line, which is called an empirical regression line. Theoretically, each point in the cloud can be considered the result of measurement. The regression line will be, theoretically, a straight line. This will be a graph of some linear function called Line regression. Regression has proven to be a solution to the problem of expressing a person's height increase and weight change.

If the regression line is known, then we can take it out of the cloud and calculate its height, for example, the average weight of a person with a height of 195 cm. However, if there is a broken line - An Empirical regression line, which is shown in the picture, we can solve this problem with sufficient accuracy. To do this, using the above method of squares, we replace it with a straight line. The equation of this line is as follows:

$y = kx + b$ **(1)**

Here

$$k = \frac{\overline{xy} - \overline{x}\,\overline{y}}{D_x}$$ **(2)**

Here, $\overline{x}$, $\overline{y}$ and $\overline{xy}$ - are the mean values of height, weight and their multiples, and D_x is the growth dispersion.

We apply the appropriate formulas:

$$\overline{x} = \frac{1}{20}(178 + 170 + \cdots. + 170) = 177.35$$

$$\bar{y} = \frac{1}{20}(72 + 65 + \cdots + 72) = 75.65$$

$$\overline{xy} = \frac{1}{20}(178 \cdot 72 + 170 \cdot 65 + \cdots + 178 \cdot 72) = 13485.15$$

$$D_x = \frac{1}{20}((178 - 177.35)^2 + (170 - 177.35)^2 + \cdots + (170 - 177.5)^2) = 79.1$$

And according to the above (1) and (2) formulas

$$k = \frac{138485.15 - 177.35 \cdot 77.65}{79.1} = 0.8675 = 0.87$$

$$b = 75.65 - 0.8675 \cdot 177.35 = -78.20$$

So, the line equation is as follows:

$$y = 0.87x - 78.20 \textbf{(3)}$$

This line is called the line of empirical regression.

In the final equation x = 195sm let's go and find out the average weight of the cadet.

$$y = 0.87 \cdot 195 - 78.20 = 91$$

the average weight of the cadet is 91 kg

Now we can find the probability of P (H) that the cadet lies in the range from X weight *(y-H)* *to(y + H)*. Here *y-(3)* - th is the average height found according to the formula. The probability of *P(H)* is calculated using *Φ(X)* in Laplas function.

$$P(H)=\Phi(a)$$

RESULTS AND DISCUSSIONS

$$a = \frac{h}{S_y \sqrt{1 - r^2}} \cdot \sqrt{\frac{n - 2}{n + 10}} \tag{4}$$

$$r = \frac{\overline{xy} - \bar{x}\,\bar{y}}{S_x S_y} \tag{5}$$

We find S_x, S_y and r

$$S_x = \sqrt{D_x} = \sqrt{79.1} = 8.89$$

$$D_y = \frac{1}{20}((72 - 75.65)^2 + (65 - 75.65)^2 + \cdots + (72 - 75.65)^2) = 86.03$$

$$S_y = \sqrt{D_y} = \sqrt{86.09} = 9.28$$

$$r = \frac{13485.15 - 177.35 \cdot 75.65}{8.89 \cdot 9.28}$$

Now we can find *P(H),* let's say H=5, then

$$a = \frac{5}{9.28 \cdot \sqrt{0.6919}} \sqrt{\frac{18}{30}} \approx 0.5$$

Φ (x) according to the table of function values Φ (a=0.5)=0.38

Thus, the probability that the cadet weight will not be more than 5 kg from the average weight is 0.38.

r value is called the correlation coefficient between x and y values.

CONCLUSION

Correlation coefficient plays an important role in Mathematical Statistics. It has the following characteristics:
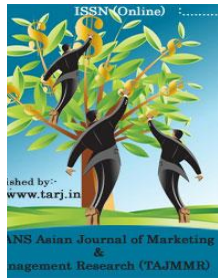
1. $-1 \leq r \leq 1$

2. If the x and y values are not related, then the coefficient of correlation between them is zero.

3. If the *x* and *y* values are linear paired, the correlation coefficient is equal to 1 or -1. On the contrary, if the correlation coefficient is 1 or -1, then the X and y values are linear bonds.

In a joint study of two random variables x and y, it makes sense to first find the correlation coefficient, if it turns out to be close to each other (at least greater than 0.5), to interpret the correlation as above. Our calculations are approximate; the degree of their accuracy depends on how close the empirical regression line is to the theoretical regression line. [2]

With the increase in the number of observations, that is, the volume of selections, the accuracy increases.

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TAKING ADVANTAGE OF THE DIGITAL ECONOMY IN TOURISM

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ABSTRACT

The article contains proposals and recommendations for the introduction of digital innovative technologies in tourism in the country, improving the quality of tourist services, identifying areas for its development.

KEYWORDS: *Digital Economy, Innovation, Tourism, Service, Technology, Hotel.*

INTRODUCTION

Currently, there is no common understanding of the digital economy phenomenon in the world, but there are many definitions.The digital economy is the use of the results of the analysis of processes and the processing of large amounts of data, which can significantly increase the efficiency of storage, sale and delivery of various industries, technologies, equipment, goods and services, as well as digital data as a key factor of production. is a registered economic activity.To date, the theory of the digital economy has not yet been fully formed and is being actively studied by most economists.

Similarly, in 1995, American programmer Nicholas Negroponte coined the term "digital economy." The term is now used by politicians, economists, journalists and entrepreneurs around the world.

Main Part

In this regard, a lot of work is being done in our country to develop modern information and communication technologies, create an integrated system of e-government services, and introduce new communication mechanisms between government agencies and the population.To implement this goal, a document was adopted to ensure the implementation of the Decree of the

President of 19 February 2018 "On measures to further improve the field of information technology and communications", as well as the development of digital economy, introduction of modern information technologies, information security[1].As a consistent continuation of economic reforms, the President issued a resolution "On measures to develop the digital economy in the Republic of Uzbekistan" [2] and the Cabinet of Ministers on August 31, 2018 "On additional measures for the introduction and further development of the digital economy in the Republic of Uzbekistan." It was decided [3]. The following are the most important tasks for the further development of the digital economy in the implementation of these decisions and decrees:

 Activities in the field of cryptocurrency turnover for the diversification of investments and entrepreneurship, including mining, smart contracts, consulting, issuance, exchange, storage, distribution, management, insurance, crowdfunding, as well as the implementation and development of blockchain technologies.

 Training of qualified personnel with practical work skills in the field of production and use of blockchain technologies.

 Ensuring close cooperation between government agencies and businesses in the introduction of innovative ideas, technologies and developments for the further development of the digital economy.

 Comprehensive development of cooperation with international and foreign organizations in the field of cryptocurrency activities and blockchain technologies and the attraction of highly qualified foreign specialists working in the field of production.

 Creating a legal framework for the introduction of blockchain technologies, taking into account foreign experience.

Based on the foregoing, one of the main tasks facing us is the development and development of directions for the development of tourism and services, the study of what will focus on when introducing innovative technologies into the tourism infrastructure.One of the main goals in this regard is to identify areas that are an important factor in achieving the competitiveness of tourism in the country through the use of digital innovative technologies in tourism.

In Uzbekistan, the term "digital economy" has been used in our national legislation for recent years.According to the results of a separate study on how the digital economy is developing in our country, we are actively using Telegram bots. Various online stores and electronic payment systems are also actively developing.This means that our citizens believe in electronic transactions. Only today are users making small transactions that do not require high costs and are less willing to increase the average purchase volume. In the near future, large contracts will support the development of financial transactions using digital technologies.

The advantages of using the digital economy in the service sector are:

1. There is no cost for the purchase of tourist services (for example, pre-booking a hotel, air ticket).

2. More information about tourist services (Tour packages).

3. The opportunities to enter the global market of tourist services in the digital world will be great.

4. Routes and services will be improved due to the rapid acquisition of feedback (tourist opinion).

5. Service will be faster, better quality, more convenient.

Work on this issue began 10-15 years ago in all developed countries and has already begun to take shape. We also need to stay out of the process. Because we are one of those countries that are rapidly integrating into globalization and the world community.

From the above, we can see that the digital economy is a hybrid economy.This may be due to the development of information and communication and financial technologies, as well as the openness of the infrastructure that allows all subjects of economic activity in hybrid tourism and services - the creation, distribution, exchange, objects of the consumer process, full interaction of subjects.For example, a tourist wants to travel to a country that he previously planned to visit and enters the tour operator's office. This is a traditional economy if you sit down with him face to face, get acquainted with tour packages, tourist routes and buy your favorite tour package for cash.The digital economy is when a tour operator selects a convenient package through the Internet address, pays money to the account of the tour operator through an electronic payment system, receives a package and travel services. This is to explain the problem through the simplest example.In fact, it's safe to say that the digital economy in tourism began in the 1980s. This is due to the fact that during these years tour operators began to use a wide range of booking systems for air tickets, hotels, advance booking and money transfers. In fact, we are already in the digital economy, we use its conveniences, but we do not fully understand its essence.

Therefore, in our opinion, the digital economy in tourism and services is not a new process that needs to be developed or introduced, it means the transformation of existing services in tourism through the introduction of innovative technologies in the daily lives of tourists.

An example of this is the current changes in the global tourism industry. As for the changes in the hotel business, in 2017-2019, as a result of the introduction of innovations in the hotel business, social and technological changes were observed, since in this regard, hotels of large and well-known brands took the initiative, they have great potential.This determines the main directions of innovations that are expected to be applied in the global hotel business. These directions include the following.

1.   In the hotel business, new types of payments and fees will be introduced. As a result, according to international experts, in the future the cost of hotel rooms in the US travel market will increase. Fees will also be introduced in major US cities such as New York, Chicago and Los Angeles.The experts note that, apparently, fees should be taken into account when calculating travel costs. Because it is estimated that there is still time to achieve full transparency in this area. According to experts, there is a positive side to this, in contrast to the rise in the price of rooms, which provides for the absence of city taxes on hotel accommodation with imposed fees;

2.   Innovative indoor technologies. Edmundson, manager of the popular hotel chain Marriott, said the hospitality industry will attract investments in connectivity devices such as the Internet of Things — the Nest smart thermostat or the Alexa voice assistant — in the near future.For example, the hotel room, developed in partnership with Marriott Samsung and Legrand S.A, is in increasing demand for a shower that remembers a customer's favorite water temperature, wallpapers that can be replaced with family photos, and mirrors with a display that can display video upon voice request.Starting last year, "Marriott" hotels began to introduce new types of rooms. They were first offered by "W-Hotels". In this regard, Hilton recently demonstrated "smart numbers".In the "Smart Numbers" you can control the images in the TV, lighting, air temperature and digital frames using the mobile application. Starting this year, such rooms have appeared in major US cities and are used in all Hilton hotels.

CONCLUSION

In short, in this regard, it is advisable to identify the following areas in which the use of digital innovative technologies in tourism should be given special attention, first of all, in order to continue the work begun in recent years, namely:

-Accelerate the application of innovative technologies in accommodation facilities, modern and brand hotels and affordable accommodation facilities such as hostels, family guest houses, as well as the introduction of mechanisms for the provision of apartments under the AirB & B system;

-introduction of modern technologies in transport logistics, development of single, safe and innovative transport logistics, taking into account the complementary types of internal and external transport to increase and diversify the tourist flow;

-Increasing the efficiency of cultural heritage sites, museums, theaters, art galleries by creating a system for tourists on cultural heritage with the help of practical information and guides, introducing smart tourism technologies, installing turnstiles and video surveillance systems;

-to increase the "monetization" of tourism, first of all, through the establishment of a flexible pricing policy for air travel, accommodation services, catering, cultural and entertainment events and souvenirs;
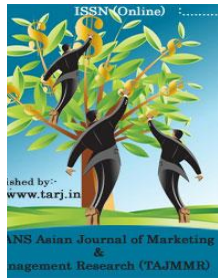
-To create a national group to study the effective use of digital innovative technologies in tourism and develop draft regulations for local ministries and departments with the participation of experts and representatives of the tourism sector to study the situation and find solutions to problems that hinder the use of innovations in tourism. should go out.

We also need to be prepared for the innovation and change that is expected from digital innovation in global tourism. Today, competition is evolving to such an extent that we need to properly navigate the above information when developing strategic plans to overcome it.

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ECONOMETRIC ANALYSIS OF THE IMPACT OF THE INVESTMENT CLIMATE ON THE SUSTAINABILITY OF SOCIO-ECONOMIC DEVELOPMENT OF NAVOI REGION

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ABSTRACT

This article provides an econometric analysis of the impact of the investment climate on the sustainability of socio-economic development of Navoi region in the current situation. It is well known that among the factors affecting the stability of the world economy, socio-economic development of countries and regions, there are emergencies and threats of global significance, the impact and vortex of which affects everyone equally. This will provide an opportunity to address important social issues, such as increasing employment and incomes in the first place.

KEYWORDS: *Investment, Investment Environment, Investment Potential, Investment Activity, Business Environment, Regression Equation, STATA 15 Program, Bruish-Godfrey Test, ICOR Index.*

INTRODUCTION

In the context of modernization and liberalization of the economy, the growing importance of ensuring the attractiveness of the investment environment and the formation of new regional

centers in the form of special economic zones has led to increased competition in attracting investment, highly skilled labor and promising infrastructure projects.

Indeed, increasing the investment attractiveness of a region has a direct impact on the sustainability of its socio-economic development, i.e., the growth of a region's investment attractiveness strengthens the sustainability of its socio-economic development if other factors do not change.

It is well known that among the factors affecting the stability of the world economy, socio-economic development of countries and regions, there are emergencies and threats of global significance, the impact and vortex of which affects everyone equally. In particular, in the current context of the COVID-19 pandemic around the world, all economic values, international organizations, economists and scientists are revising the forecast indicators for the development of the regions. Taking into account the indicators related to safety, sanitation and public health is becoming increasingly important in the list of indicators that ensure investment attractiveness.

According to new forecasts released by the International Monetary Fund for 2020, the global economy is expected to shrink by 3% this year as a result of the pandemic in the baseline scenario. This is 6.3 percentage points lower than the forecast published in January this year. If the fight against the virus continues and quarantine continues into the second half of the year, then the global economy is worried that it could shrink by 6 percent. Also in 2020, the recession will be recorded in 157 out of 194 countries.

However, this does not diminish the importance of studying the impact of its investment attractiveness on the sustainability of socio-economic development of the region, but rather requires a new look and solutions to its problems.

To anticipate and develop scientifically based measures to prevent problems such as the unprofitability of investments in the country and its regions, or the limitation of the full capacity of the production process due to undefined risks and dangers in the effective use of investments. Ensuring the sustainability of development, the achievement of global competitiveness of the country and its regions - requires an in-depth and comprehensive analysis of the factors affecting investment efficiency, the identification of quantitative links between them. Therefore, the purpose of this article is to conduct an econometric analysis of the impact of the investment climate on the sustainability of socio-economic development of Navoi region. To achieve this goal, the following tasks are set out in this article:

- Clarification of the problems of socio-economic development of the region in modern conditions, the importance of ensuring the investment attractiveness of the region in this process;

- Determination of the exact scientific calculation of the levels of risk and risk arising in ensuring the stability of socio-economic development and investment attractiveness of the region in the conditions of uncertainty;

- Interpretation of the conditions and results of the methodology of econometric analysis of the impact of the investment climate on the sustainability of socio-economic development of Navoi region;

The degree of research on the topic

Ensuring the attractiveness of the investment climate in the regions and the rational use of the factors represented by its indicators, research on their effective management is a relatively new direction, which requires in-depth research in this area.

Based on the analysis of the existing scientific and methodological base in this area in our country, the following areas of study of indicators for calculating the attractiveness of the investment climate and scientific and methodological aspects of evaluation can be identified:

1. Concepts of regional production complexes, economic zoning, location and development of productive forces of scientists of the Regional School of Economics.

2. Concepts of effective investment policy of scientists of the National School of Investment Policy in order to ensure the competitiveness of the regions.

3. Concepts of improving the scientific and methodological framework for increasing the attractiveness of the investment climate in Uzbekistan by the representatives of the School of investment and innovation potential, investment climate, investment efficiency and investment climate.

As J. Downs and G. Elliotn [1] point out, "the investment environment is the economic, financial, and other conditions that affect the efficiency of an investment". Many foreign researchers interpret the content of the concept of "investment environment" as close to the concept of "business environment", interpreting it as a set of external conditions that shape the level of risk of investing capital and the attractiveness of investing in a particular object.

According to S.Yu. Sivakova [2], these categories are used in foreign practice as completely synonymous concepts. Representatives of the Institute for Development Studies (IDS, University of Sussex) M. Moore and H. Schmitts [3] emphasize the need to differentiate these concepts and describe the factors that justify it. In their view, an improvement in the business environment (or investment climate) implies an opportunity to reduce the costs of running a business, while an improvement in the investment environment means an opportunity to reduce the risks of investing capital.

According to local economist D. Gozibekov [4], "the attractiveness of the investment climate is a set of conditions created for investors, the existence of guaranteed conditions and opportunities".

According to Sh. Mustafakulov [5], "the integrated investment attractiveness of the country is the general level of objective socio-economic, natural-geographical and environmental indicators that characterize the conditions of economic development of the country and have a positive or negative impact on the formation of investment activity".

Attracting investment is an important task for all countries. The organization of expanded reproduction, the implementation of strategic development programs, the acquisition of new markets require additional investment.

In the framework of the new investment policy in the context of modernization and liberalization of the economy, taking into account the prospects of development of the country, the main task is to ensure the attractiveness of the investment climate and systematic study of effective

governance. It is expedient to develop an improved mechanism for this by coordinating and harmonizing the balance of vital factors such as "investment potential", "investment activity", and "business environment".

This new approach allows you to:

- To give a new interpretation of the concept of "attractiveness of the investment environment" on the basis of a systematic approach and to develop an improved terminological apparatus;

- Scientific analysis of the factors determining the need for a new approach to ensuring the attractiveness of the investment climate in the Republic of Uzbekistan and substantiation of measures for their effective management;

- Development of a methodology for assessing the state of the investment climate, taking into account the factors and effectiveness, through the effective use of the potential of the region, determined by factors such as natural and economic, financial, labor, corporate governance and effective functioning of local governments;

- Provide methodological recommendations for forecasting the prospects for effective management of the investment climate through a systematic study of factors and individual assessment of economic growth, modernization and diversification, the business environment, the state policy of free and special economic zones and the openness of the economy with complex coefficients ;

- Development of a methodology for assessing the prospects of economic development and its impact on investment potential, based on the attractiveness of the investment climate and the laws of innovative development, which allows to identify priorities for its effective management;

- Scientific substantiation of the prospects of using the best foreign experience in Uzbekistan to increase the activity of the investment climate;

- Development of a system of comprehensive measures aimed at ensuring the attractiveness of the investment climate by the state and the implementation of medium and long-term objectives of effective management on the basis of a new conceptual scheme of studying the interrelationship of various factors.

THE MAIN FINDINGS AND RESULTS

Attracting investments is crucial for the development of the country's economy, the construction and reconstruction of new enterprises equipped with modern equipment and technologies. This will provide an opportunity to address important social issues, such as increasing employment and incomes in the first place. Therefore, it is important to provide economic incentives and create the necessary conditions for enterprises that are actively attracting foreign investment.

It is impossible to carry out structural changes and modernization of the economy, re-equip enterprises with modern equipment and launch the production of competitive products without attracting foreign investment, especially in the leading sectors and expanding the participation of foreign investors. Attracting foreign investment in the economy of our country will accelerate the expansion of economic opportunities and serve to ensure sustainable economic growth through

the use of domestic opportunities and resources in all areas, the development of new techniques and technologies.

Investment is a factor that drives any economy and ensures its development, and it is necessary to increase the volume of investment in the national economy, using all opportunities wisely.

The largest enterprises located in Navoi region are monopolies not only in the region but also in the country. Navoi MMC alone provides 10% of total consumer goods and 18% of budget revenues in the country. Currently, the plant employs more than 54,000 people. Today, the balance of the combine is estimated at 1.3 billion US dollars, while its market price is estimated at 11 billion US dollars [6].

In 2018, a different trend and disparities in funding sources can also be observed. The largest increase in funding sources was due to foreign loans and investments, which in 2018 increased by 3.7 times compared to 2017. It should be noted that such a large increase was due to the commissioning of 8 facilities in Navoi MMC worth $ 1.2 billion and a sharp increase due to the projects implemented by JSC "Navoiyazot". Due to the effective implementation of these projects, gold production has increased by 2.5% and silver production by 37% over the past three years.

In this regard, it is important to analyze the Navoi region, the object of our study, its role in ensuring economic development of the country, the complex activities carried out there, the conditions created for entrepreneurship and the development of institutional structures to ensure competitiveness. In Navoi region, it is expedient to study the impact of fixed capital investment on gross regional product through the econometric analysis of the annual growth rate of gross regional product, to reveal new trends and patterns in the development of the national economy.

For this purpose, in 2006-2019, the factors influencing the gross regional product of Navoi region - Yt: investments in fixed assets last year - I_{t-1} and the gross regional product of the previous period - Y_{t-1}.

The reason why the econometric model includes the values of last year's investments in fixed capital is that many investment projects take some time to materialize. Therefore, the gross regional product for the current period was taken as a factor influencing last year's fixed capital investment. The purpose of adding the gross regional product of the previous period is explained by the fact that the equation may be an autocorrelation mummy. If the value of the related variable is included in the model for the previous period, the autocorrelation problem can be eliminated. In addition, taking into account the impact of inflation in the period under review, data for all years were obtained using the gross regional product deflator in terms of growth compared to 2006. This means that each indicator shows the percentage change compared to 2006.

As can be seen from Figure 1, Navoi region pursued an active investment policy in 2006-2019, as a result of which the volume of investments in fixed assets increased by almost 8 times. Gross regional product also has a steady growth trend, almost doubling during the period under review.
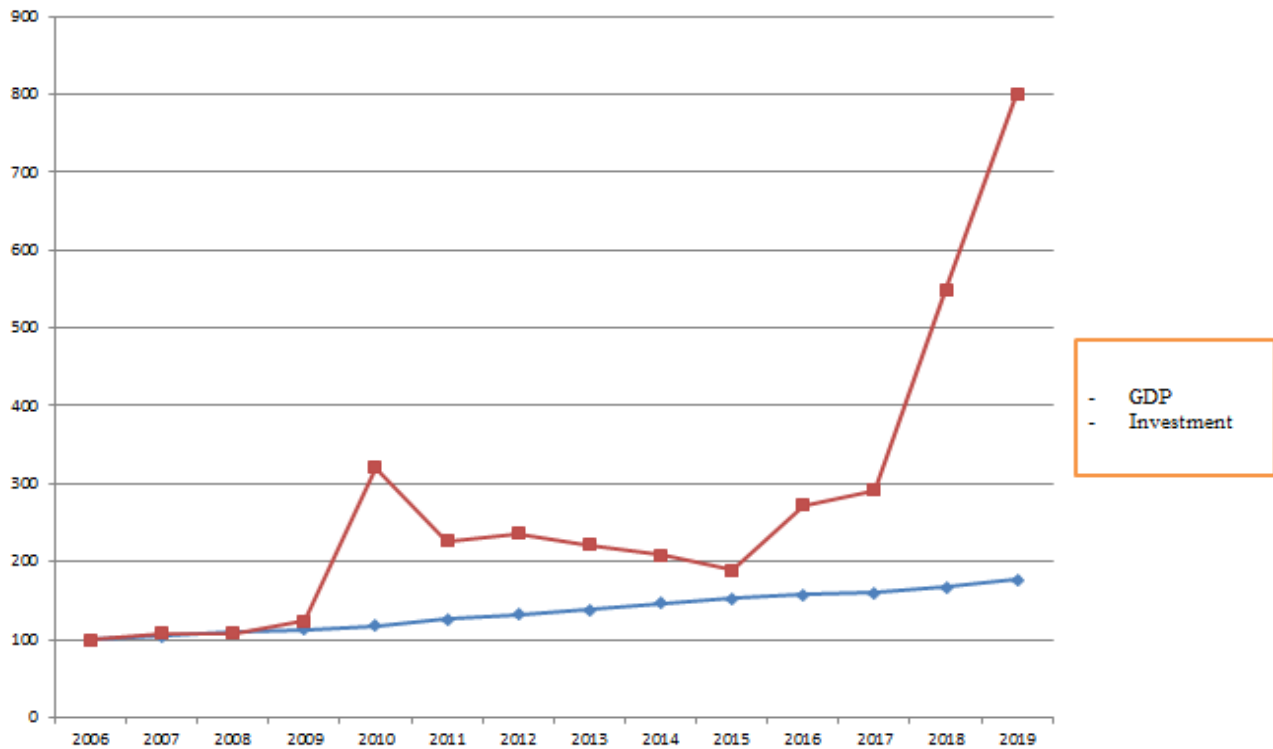
Figure 1. Dynamics of gross regional product and investments in fixed assets in Navoi region (where 2006 = 100%) [1]

Using this data, we need to determine the parameters of the following regression equation.

$$Y_t = \beta_0 + \beta_1 I_{t-1} + \beta_2 Y_{t-1} + \varepsilon_t \, (1)$$

Here, the coefficients β_k indicate the effect of the factors obtained on the gross regional product. ε_t is the stochastic part of the regression equation and represents the randomness in the model. Entering the data into the STATA 15 program, we obtain the following results.

TABLE 1 THE VALUES OF THE PARAMETERS OF THE REGRESSION EQUATION [2]

Y_t	Coef.	Std. err.	T	P>|t|	95 % Conf. Interval	
I_{t-1}	0.014	0.006	2.50	0.031	0.002	0.027
Y_{t-1}	0.971	0.030	32.73	0.000	0.905	1.037
Cons.	6.493	3.180	2.04	0.068	-0.593	13.580

According to the results of the table, the effect of the two independent variables obtained on the related variable is statistically significant at the 5% significance level. This is because the p-value of both t-statistics is less than 0.05.

Using the data in Table 1, the following regression equation can be constructed:

$$Y_t = 6.493 + 0.014 * I_{t-1} + 0.971 * Y_{t-1} \textbf{(2)}$$

According to the regression equation, a 1% increase in investment over the past period, provided that other factors remain unchanged, will increase gross regional product by an average of 0.014%. An increase of 1% in the gross regional product of the previous year will lead to a corresponding increase in the gross regional product of the current period by 0.971%. The analysis shows that investment is important in ensuring economic growth in the region, especially in the medium term, when investment projects have a strong impact on economic growth.

TABLE 2 RESULTS OF THE CRITERION OF THE REGRESSION EQUATION [3]

Source	SS	Df	MS	Number of obs.	=	13
Model	6620.04	2	3310.02	F(3,12)	=	1250.48
Residual	26.47	12	2.65	Prob>F	=	0.000
Total	6646.51	14	553.88	R-squared	=	0.996

Of course, in econometrics, each developed regression equation needs to be evaluated on the basis of additional criteria. Therefore, the regression equation is also examined against a number of criteria (Table 2). According to the table, it follows that the regression equation is adequate and reliable, because the p-value of the F-statistic is very small (0.000) and the coefficient of determination (R2) is 99.6%. Hence, the obtained independent variables explain the related variable, i.e., the change in gross regional product by 99.6%.

In the next step, we check whether there is an autocorrelation in the regression equation. To do this, we use the Brosch-Godfrey test.

TABLE 3 BROYSH-GODFREY TEST

Lags	Chi2	df	Prob>chi2
1	1.3	1	0.25

Source: The results were calculated by the author in the STATA 15 program.

The Brosch-Godfrey test consists of the following zero and alternative hypotheses:

H_0: There is no autocorrelation in the regression equation;

H_1: There is an autocorrelation in the regression equation.

According to the data in Table 3, the Brosyh-Godfrey test has ar-value of 0.25, i.e., we cannot reject the zero hypothesis that there is no autocorrelation. Hence, there is no autocorrelation in the regression equation under study.

It is known that in the world practice the ICOR (Incremental Capital-Output Ratio) index (capital capacity of GDP or gross regional product growth) is used to assess the effectiveness of investments in a particular region. It is defined as follows [7]:

$$ICOR = \frac{\frac{I}{GRP} * 100\%}{\Delta GRP\%}$$

Here:

I - investments in fixed assets;

GRP- Gross regional product volume;

ΔGRP% - Growth rate of GDP, in percent.

The lower the ICOR index, the higher the efficiency of investment in economic growth in the region. The importance of investment in the economic growth of the region is high, and each unit of investment allows creating a product that is higher than the previous level. This requires further strengthening of investment in the economy in the current situation.

The higher the ICOR index, the lower the efficiency of investment use in the economic growth of the region. This indicates the low importance of investment in the economic growth of the region, as well as the mismatch between economic growth and foreign investment.

In 2016, the ICOR index in Navoi region was 1.8, but in 2017 it was 9.1. In industrialized countries, it is noted that an index of 2.5 is acceptable. It can be seen that the growth rate of investment in these years was higher than the growth rate of GRP. This, of course, shows that, as noted above, the efficiency of the use of investments in the economic growth of the region is low. In subsequent years, ie in 2018, the ICOR index reached 4.1 and in 2019 1.5, reaching the level of international standards in terms of quality.

CONCLUSION

In general, in this scientific article on the results of econometric analysis of the impact of the investment climate on the sustainability of socio-economic development of Navoi region, we came to the following general conclusions:
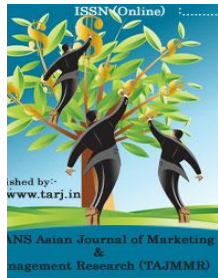
1. Econometric analysis of the impact of the investment climate on the stability of socio-economic development of the region ensures the correct distribution of investments based on the potential of the regions and their sectors of the economy in the face of uncertainty, to prevent deficits and surpluses.

2. Improving the methodology of econometric modeling of the impact of the attractiveness of the investment environment on the sustainability of socio-economic development of the region; Ensuring sustainable growth and global competitiveness of the regions and their sectors of the economy, as well as an in-depth and comprehensive analysis of the factors affecting investment efficiency; allows the identification of quantitative relationships between them.

3. This econometric analysis proves that investments in fixed assets are an important factor in ensuring economic growth in the region. Indeed, the investment activity of enterprises in the region, first of all, leads to an increase in technological and economic efficiency. This will allow enterprises to produce products that are competitive in the domestic and global markets, and thus further increase production. Therefore, the continuation of the pace of investment activity in the region in recent years is expected to lead to even greater positive changes in the welfare of the region in the near future.

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MAIN ASPECTS OF THE ANALYSIS OF BUSINESS ACTIVITY IN THE CONDITIONS OF ECONOMIC DEVELOPMENT

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ABSTRACT

The article outlines the main aspects of the analysis of the labor activity of economic entities, summarizes the scientific works of economists and gives practical recommendations for solving the problems of analysis of labor activity. In particular, the economic nature of labor activity, a system of indicators recommended by economists in its assessment, methods based on economic content and logical sequence were studied. In particular, the composition and structure of indicators of economic potential were analyzed and recommendations were made using the practical data of the research object of Auto Terra LLC. The share of current assets in the balance sheet assets of the analyzed enterprise during the reporting year was the main one. The company management should take the necessary measures to increase the volume of long-term assets. This will improve the capital structure of the company, increase its economic potential and have a positive impact on its financial condition. The article also considers the structure of the financial potential of Auto Terra LLC and provides practical recommendations. During the reporting year, the share of liabilities in the liabilities of the balance sheet of the enterprise played a key role. This situation can be assessed as negative. So in society there is a need for debt. Therefore, the analysis gives recommendations on calculating the ratio of own and

borrowed funds. The implementation of these proposals in the practical activities of enterprises will increase economic efficiency and ensure financial stability.

KEYWORDS: *Business Activity, Economic Potential, Financial Capabilities, Fixed Assets, Working Capital, Sources Of Capital, Liabilities, efficiency, financial condition, comparable analysis*

INTRODUCTION

In the conditions of further economic development, any business sent ity will need to ensure that its resources are properly managed - the flow of financial, material and labor resources and the efficiency of its use. The use of inefficient management methods can lead to economic imbalance. In order to properly and efficiently manage corporate financial resources, it is necessary to first define and analyze its financial position, resource utilization efficiency.

The root of the economic and financial strengths of economic entities is evident in its activities. The study of indicators reflecting their business activity plays an important role in the financial situation analysis. The market place, financial and economic potential of the enterprises, their position depends largely on the status of their business performance.

MATERIALS AND METHODS

Indicators of business activity of business entities are important indicators for assessing their financial condition. In the literature on financial analysis, business activity was viewed as the main and current assets revaluation of debt liability cycle. The importance of these indicators in the assessment of the financial position of enterprises should be examined and explained separately, depending on their importance.

In the text book of M.U.Rahimov, economist scientist, "Business activity of economic entities is defined as the conversion of its principal and current assets, the reliability of debt" [1]. According to the economic scientists of our country M.K Pardaev and B.H Hasanov, the activity of the business is: "The measures are taken to ensure the economic growth of the enterprise on a regular basis, due to the efficient use of economic and financial potential for the achievement of its goals" [2]. The following indicators are compiled by the authors as a key indicator of their business activity: profit and profitability indicators (Fig. 1).
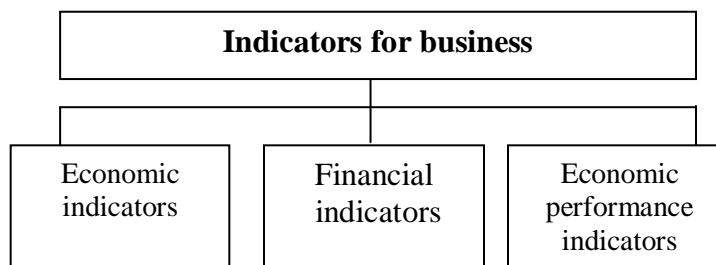

Fig.1 : Indicators for business activity.

Doctor of Economics, Professor The business activity index, taken by E.Akramov as an important factor in ensuring the financial sustainability of the enterprise, is seen as an important tool in the enterprise, which contributes to economic growth and enterprise development, allowing product development plans to be increased.

The author describes the organization's business activity as follows (Fig. 2). This principle is referred to internationally as "the corporate golden rule" [3].
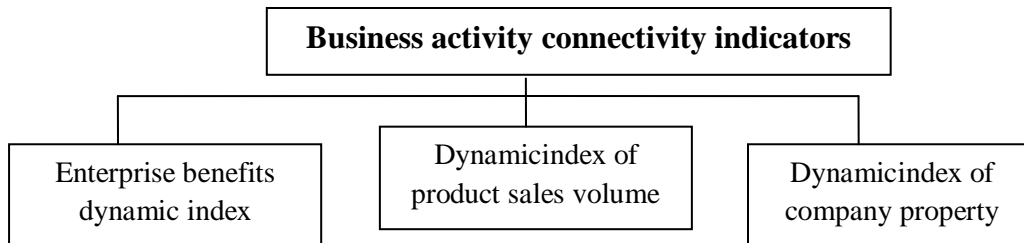

Fig. 2 : Business Connectivity Indicators

We recommend studying the indicators that characterize the performance of economic entities in the following composition (Fig. 3).
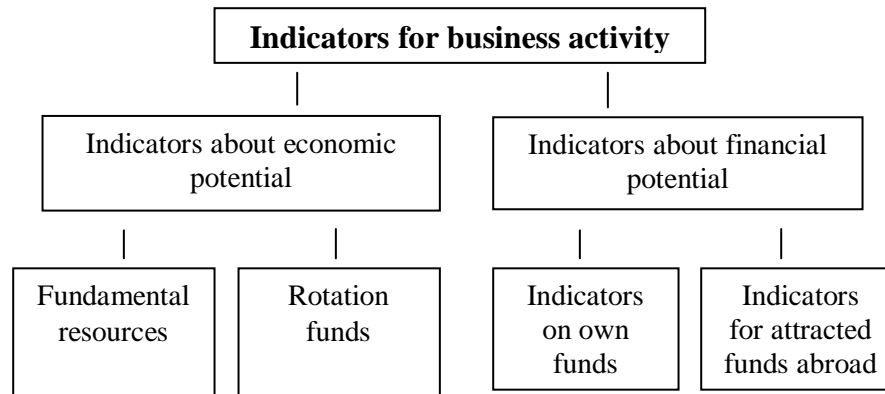

Fig. 3 : System of indicators indicating business activity.

In our opinion, "Business activity of business entities is defined as practical measures to ensure financial sustainability based on the analysis of turnover and returns on capital and circulating assets and equity funds"[4].

It is important to analyze the performance of business entities in the assessment of financial stability. The results of the analysis will be used to identify internal economic opportunities to increase productivity and to develop measures to involve them into the production cycle.

The activities of enterprises of different ownership are directly related to the main and circulating assets. These funds are used and multiplied by the establishment of business entities. Therefore, it is crucial to analyze the business activity of enterprises in ensuring their financial sustainability.

The main objectives of business activity analysis are as follows:

- Increasing its financial and economic capacity by analyzing business activity;

- Analysis of the role and activity of economic entities in the market and the possibility of their development;

- Assessment of the impact of business activity on its financial position;

- Establishment of targeted management of economic entities;

- Determination of measures to accelerate the circulation of money and liquid assets;

- Determine how to keep the goods and resources in operationand ensure their turnover.

Beside these, we studied scientific reseaches of scientists as well as: Dontsova L.V., Nikifirova N.A [6], Ilxamov Sh., Xodjayeva M [7], Bernstein, L. A [8], Garrido, P. e Iñiguez, R. [8], M. Hanusch[9]and others.

RESULT AND DISCUSSION

To manage the enterprise's financial resources accurately and efficiently, first of all, it will be necessary to identify and analyze the financial position, resource utilization efficiency to increase business activity.

Nowadays, material and labor resources and non-material assets are also involved in the enterprise to generate and benefit from the economic processes. It is not enough to call their collections as material and labor resources. This is why it is desirable to call them the economic potential of the enterprise. Because together with material resources, the non-material assets and labor resources are fully reflected.

The economic potential of the enterprise is all material and labor resources and non-material assets that fully cover the economic process in it. One of the key features of financial analysis today is to study the economic potential of the enterprise, ie the comprehensive study of property, reserves and expenditures. They should be adequate to ensure that the enterprise operates in a moderate way,

as well as through product sales and contracting, and providing a service plan. Particularly, depending on the balance, it helps to assess the composition of an enterprise's property, determine its net cash position, and measure its capacity. The study of the structure of enterprises' property and identifying ways to increase it plays an important role in the analysis of business ownership, asset mobility, effectiveness and causes of change.

The initial valuation of the entity's economic potential based onthe balance sheet is done by comparing balance items at the endof the reporting period to the data available at the beginning ofthe year and identifying the returns. Changes in certain items ofthe balance result from the entity's economic activities.

Table 1 below summarizes the economic potential of the "AutoTerra" limited liability company. When designing it, the status ofpure, usable assets is explored using the balance sheet data. The information provided is equal to the total balance sheet.

TABLE 1 : ANALYSIS OF THE STRUCTURE OF THE "AUTO TERRA" LIMITED LIABILITY COMPANY'S ECONOMIC POTENTIAL

Indicators	The beginning of the reporting year		The end of the reporting year		The difference (+,-)	
	Thousand sums.	Share, %	Thousand sums.	Share, %	Thousand sums.	Share, %
Total property. Including:	228765,00	100	899908,00	100	+671143	-
1.Long-tern assets (principal). From:	1785,00	0,78	247508,00	27,50	+245723	+26,72
basic tools	1785,00	100	247508,00	100	+245723	-
2.Current assets (non-circulating). From:	226980,00	99,82	652400,00	72,50	+397420	-26,72
money	11759,00	5,18	136075,00	20,86	+124316	+15,65
accounts receivable	215221,00	94,82	507325,00	77,76	+292104	-17,06
short term investments	-	-	9000,00	1,38	-	+1,38

Table 1 shows that the commercial funds of AutoTerra limited liability company increased by 671143 thousand sums as of the end of the year, amounting to 899908,00 thousand sums. At the beginning of the reporting year, the share of long-term assets in the property structure of the enterprise was 0,78 percent, while their share at the end of the year reached 27,50 percent. The share

of fixed assets in the structure of long-term assets is 100%. The share of current assets in the assets of the "Auto Terra" limited liability company decreased by 26,72% to 99,82% in the beginning of the reporting year, and 72,50% in the end. Leading positions in the structure of current assets occupy the share of receivables, which at the end of thereporting period decreased by 17,06%, having made 77,76%. The volume of accounts receivable in the society at the end of the reporting year increased by 292104 thousand sums compared to the beginning of the year. There is no overdue accounts receivable at the entity under analysis. They improve the business structure and have a positive impact on their financial status.

The share of cash in the structure of current assets in the reporting period increased by 15,68%. The amount of funds at the beginning of the reporting year amounted to 11759,00 thousand sums and increased by 124316 thousand sums. At the end of **the end of the reporting year**, the share of short-term investments in the current assets amounted to 1,38%, the absolute amount – 9000,00 thousand sums. Thus, short-term investments were used in the reporting period.

While the process of liberalization of the economy ensures the independence of each enterprise, its responsibility also increases. Under such circumstances, each enterprise should have its own funds, its management method, property, ownership. This is the main source of all available property, the financial capacity of the enterprise.

Financial capacity can be sufficient in each undertaking. They are composed of two sources. Firstly, each company owns its own funds, and secondly, it is the money borrowed from abroad as a bank loan to provide its business. Any enterprise, firm, organization must have some financial potential to provide funding for its activities. If the enterprise does not have the financial opportunity, it will not be able to form its own material and technical base and turnover funds. As

a result, it will be difficult to operate.

When evaluating the enterprise's financial potential, it is necessary to analyze the structure of the balance sheet, i.e. its own funds and the share of borrowed funds borrowed from abroad. The optimal ratio of these resources will determine the future of the enterprise. Analysis of the sources and sources of financial resources is mainly carried out by internal and external users based on the accounting data of the source structure. We refer to the following table for analysis (Table 2).

TABLE 2 : ANALYSIS OF THE FINANCIAL POTENTIAL OF THE "AVTOTERRA" LIMITED LIABILITY COMPANY

Indicators	The beginning of the reporting year		The end of the reporting year		The difference (+,-)	
	Thousand sums.	Share, %	Thousand sums.	Share, %	Thousand sums.	Share, %
1	2	3	4	5	6	7
Total property sources. Including:	228765,00	100	899908,00	100	+671143	-
1.Own sources of funds	228765,00	100	264022,00	29,34	+35257	-70,66
2. Obligations. Including:	-	-	635886,00	70,66	+635886,00	+70,66
2.1.long-term creditors liabilities	-	-	71227,00	11,20	+71227,00	+11,20
2.2.short-term creditors liabilities	-	-	564659,00	88,80	+564659,00	+88,80

As Table 2 shows, the balance sheet of Liability Company "Auto Terra" at the end of the year amounted to 899908,00 thousand sums and increased by 671143 thousand sums. The share of its capital in its structure was at the beginning of the year at 100%, and by the end of the year it was 29,34%.

Private equity is the basis of the source of equity of the enterprise and is one of the most important indicators characterizing the financial condition of the enterprise. Depending on the nature of its assets, the economic dependence and independence of the entity will be assessed at the beginning of the year there were no liabilities in the balance sheet, while its share at the end of the year was 70,66%.

This means that there is a need for borrowed funds in society. An increase in the number of liabilities affects the effectiveness of business activity. Liabilities lead to an impairment in production, a chain of non-payment and an increase in accounts receivable and payables, and a deterioration in their financial position.

The majority of the liabilities of the limited liability company "Auto Terra" were long-term and short-term debt repayments. During the analysis, it is important to identify the coefficient of the ratio of own funds and borrowed funds. The ratio of the ratio of own funds and loans to borrowings is determined as the ratio of borrowed funds to their own funds. This coefficient represents the amount of borrowed funds per each UZS equity. This coefficient amounted to 635886,00: 264022.00 = 2,41 at the end of 2013 at the AutoTerra limited liability company, or

2,41 tiyin worth of debt in own funds of the enterprise. Thus, the dependence of the enterprise on borrowed funds has increased significantly. This situation reduces the degree of stability of its financial position. Resources at the analytic object were originally raised at the expense of own funds at the beginning of the year,

and at the end of the year increased due to debt sources. This leads to a decline in the financial independence of the enterprise, anda decline in solvency.

CONCLUSIONS

In summary, it is important to note that currently all enterprises have the right to make timely cash flows, to comply with accounting discipline, to ensure that the private and borrowed funds are properly proportioned, and to follow financial discipline and discipline, economics and economy. Failure to comply with these requirements can result in economic failures. This, in turn, requires the analysis of business activity. Analysis of business activity indicators plays an important role in the assessment of its financial and economic performance. The analysis of business activity of business entities is an integral part of the financial analysis. Analysis of business activity indicators is crucial in valuing its financial and economic performance. One of the main objectives of the financial analysis is to develop a system of indicative indicators for objectively evaluating the object being analyzed or of any economic category, their theoretical and methodological substantiation.
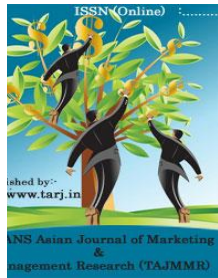
Acknowledgements

Therefore, a system of indicators that reflects business activity has been recommended, and ways to evaluate and analyze them. Based on the findings of the research, the following aspects of the effectiveness of indicators of business activity can be presented as recommendations for the enterprise: avoiding excessive fixed assets, removal of outdated and non-hazardous fixed assets, determining the default forms of depreciation of fixed assets, automated systems, timely, accurate and timely delivery and delivery of contracts and the financial status of suppliers and buyers, the responsibility of the parties in the mutual contractual relationship and strict adherence to the terms of the contract, setting the terms of the legal liability for the amount of any delayed payments, the development of a mechanism for the creation of reserves for doubtful debts and etc. Implementation of these proposals into practical activities of the enterprises will allow

increasing the efficiency of their activities and increasing the financial standing of their businesses.

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T R A N S A s i a n J o u r n a l o f M a r k e t i n g M a n a g e m e n t R e s e a r c h (TAJMMR)

(Double Blind Refereed & Peer Reviewed Journal)

ANALYSIS OF THE STRUCTURE, DYNAMICS AND CURRENT TRENDS OF INVESTMENTS IN THE SOUTHERN REGION OF UZBEKISTAN

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ABSTRACT

The article analyzes in detail the structure, dynamics and current trends of investments in the southern regions of Uzbekistan. It is noted that it is necessary to effectively organize investment activities in the regions, to pay attention to its important aspects and features. Scientifically grounded proposals and recommendations were developed for the formation and gradual improvement of mechanisms for attracting investments, organizing decentralized investments to increase local investment activity and their constant development.

KEYWORDS: *Investment Activity, Domestic And Foreign Investment, Innovation, Investment Efficiency, Free Movement Of Investment Capital, Investment Structure.*

INTRODUCTION

The establishment of a national economy and the implementation of economic reforms in the Republic of Uzbekistan, which are in line with market relations, require, first of all, to ensure the socio-economic development of the regions. It is becoming clear that it is impossible to adequately develop the national economy without stabilizing the regional economy and deepening the ongoing reforms.

Fulfillment of these tasks requires improvement of the mechanism of investment placement with a realistic assessment of the situation in the country and its regions.

Resolution of the President of the Republic of Uzbekistan dated february 7, 2017 No. PF-4947 "On the Strategy for further development of the Republic of Uzbekistan",No. PQ-3182 of august 8, 2017 "On priority measures to ensure the rapid socio-economic development of the regions"andaugust 1, 2018 No PF-5495 "On measures to radically improve the investment

climate in the Republic of Uzbekistan"the adoption of decisions and decrees will serve to improve and legally strengthen the investment climate in the regions.

The formation of economic regions is an objective process, which is a product of the development of the territorial division of labor. Economic zoning is based on economic, national and administrative principles. These principles have been tested by economic zoning practices for decades. The factors that make up the region include the availability of natural resources, primarily mineral deposits, high population density, specialization of the economy, employment and other factors, but today their geography is expanding.

LITERATURE REVIEW

A number of scientists have conducted research on strengthening the role of domestic and foreign investment in the development of regional economies, rational assessment of existing opportunities, improving the scientific and methodological framework to increase the attractiveness of the investment climate, regional potential, regional features of investment in entrepreneurship.

In particular, professor A.M. Sodikov in his scientific work highlighted the role of their investment activity in the socio-economic development of the regions of the country, which depends on the natural-economic, production, socio-demographic potential [5] andin the research work of Sh.I.Mustafakulov the natural resource reserves in the regions, the benefits created for investors, the state of infrastructure, the investment rating of the region affect the inflow of foreign investment and domestic investment, the volume of investments in fixed capital and it can be noted that recommendations are given[6]. Also, the researcher M.B.Sultanbaeva presented the regional features of investment activities in Uzbekistan[7] or B.B.Valiev emphasizes the need to develop measures for the rational attraction of investment in specific sectors of the region, based on the characteristics of the region and the potential of local production, based on the identification of regional characteristics and relative advantages[8]. It can be cited that D.S. Almatova identified problems related to the development of investment and innovation activities of business entities in the regions and substantiated ways to solve them, and studied the issues of their effective development [9].

The majority of economists in the country in their research work divide the country into six main economic regions. That is, Tashkent region, Tashkent city and Tashkent region, Fergana region to Andijan, Namangan and Fergana regions, Mirzachul region to Jizzakh and Syrdarya regions, Zarafshan region to Bukhara, Navoi and Samarkand regions, Southern region to Surkhandarya and Kashkadarya regions and the Lower Amudarya region to the Republic of Karakalpakstan and Khorezm regions were included.

In fact, the territory of the regions is not necessarily the same naturally and economically. Similarly, the productive forces are not evenly distributed across the region. Inequality is a factor in regional economic development. Interestingly, usually any country or region tries to evenly distribute the productive forces in its territory, to equalize the socio-economic development of the regions, but, in absolute terms, such equality is difficult to achieve.

RESEARCH METHODOLOGY

Comparative analysis, logical analysis, systematic analysis, static grouping, analysis and synthesis, induction, deduction methods were used in the research process.

Analysis and results

Among the regions of the republic, the Southern region has its own characteristics, located in the southern part of Uzbekistan, and includes Surkhandarya and Kashkadarya regions. The area of the region is 48.9 thousand square meters. km., which is 10.9% of the country's area. In the region in early 2019, 5 mln. 782.3 thousand people lived there. This represents 17.3 percent of the country's population[1].

The region is bordered by the Zarafshan region to the north and northwest, the Republic of Tajikistan to the east and northeast, the Republic of Turkmenistan to the southwest, and the Republic of Afghanistan to the south via the Amudarya.

The Gissar mountain range and its continuation, the lesser-known Boysun and other mountains, previously separated the two regions from a natural geographical point of view, but now round them off by their economic geography. As a result, there is no reason to separate Surkhandarya region as a separate economic region, and it is possible to consider it together with Kashkadarya at the level of a southern economic region with a significant territorial, economic and demographic potential.

The southern region is bounded on the north and east by the Zarafshan and Gissar ridges. To the west and southwest is the Karshi Desert, which is connected to the Sandikli and Kyzylkum deserts. The southern region is connected to the Amudarya. Kashkadarya and Surkhandarya regions are divided by Mount Boysun and Mount Kohitang, which stretch from north to south.

Most of the country's natural gas and oil reserves are located in this region. The main gas fields are: Zevardi, Mubarek, Shurtan, Kokdumalak, Koltok, Odamtash, Boysun, Uvada and others. The gas contains sulfur, gas condensate. The total large reserves of natural gas allow for export. Shurtan gas was transported to Syrdarya GRES and Tashkent. The Mubarek gas field is connected to the Central Asia-Ural and Central Asia-Central main gas pipelines. High quality coal is mined from the Boysun Mountains. There are Shargun and Boysun deposits of coal. Oil (gas condensate) deposits include Kokayti, Khavdak, Koshkuduk and especially large Kokdumalak deposits.

There are potassium salt deposits (large deposits Tubakat, Akbosh) and table salt (large deposits Boybichakon, Khojaikon), which are the raw materials of chemical satoati. In addition, building materials cement raw materials, gypsum, coated sands, bentonite soils, granite, dolomite expanded clay deposits were identified.

At present, the region is distinguished by such sectors of the economy as oil and gas, light industry, mainly cotton ginning, cotton, cocoons, horticulture. The region's share in the country's GDP is 11.5%. Including 10 percent for industrial and 15.7 percent for agricultural products. Based on these data, the region's economy can be described as more agrarian-industrially oriented.

The southern region plays an important role in the national economy of Uzbekistan in terms of agricultural products and fuel resources. Agriculture is the leading sector in the region's economy. In recent years, new oil and gas fields discovered in Kashkadarya region have created favorable conditions for the development of the region's economy. The use of natural gas and other rich natural resources has radically changed the location of the industry. For example, large-scale industries have been created in the region: fuel and energy, chemical, construction materials and textile industries. As a result, the gross regional product in the region in current prices increased from 15323.4 billion soums in 2015 to 36335.6 billion soums in 2019 (table 1).

TABLE 1 GROSS DOMESTIC PRODUCT (REGIONAL) IN 2015-2019 (IN CURRENT PRICES, BILLION SOUMS)[2]

Regions and its composition	2015	2016	2017	2018	2019
Republic of Uzbekistan	120861,5	145846,4	171808,3	199325,1	302536,8
Tashkent region (Tashkent c., Tashkent)	12413,3	14946,2	17616,8	20528,7	27847,6
	17254,5	21812,1	26894,5	31482,8	40720,4
Total	29667,8	36758,3	44511,3	52011,5	68568
Fergana region (Andijan, Namangan and Fergana)	7334,6	8728,5	10172,4	11266,0	19206,0
	5156,4	6340,7	7447,0	8866,9	14501,2
	8672,0	10706,6	12583,5	13922,9	19837,5
Total	21163	25775,8	30202,9	34055,8	53544,7
Mirzachul region (Jizzakh and Syrdarya)	2930,3	3500,3	4180,5	4906,8	9148,1
	2524,1	3012,2	3648,6	4190,1	6432,2
Total	5454,4	6512,5	7829,1	9096,9	15580,3
Zarafshan region Bukhara, Navoi and Samarkand)	6384,4	7701,6	9115,3	10924,4	16504,3
	6587,3	7931,3	9105,3	10541,8	14232,2
	8347,8	10278,8	12218,5	14060,4	25569,8
Total	21319,5	25911,7	30439,1	35526,6	56306,3
Southern region (Surkhandarya and Kashkadarya)	5493,6	6616,8	7802,4	9172,5	13702,2
	9829,8	11470,7	13632,9	14896,9	22633,4
Total	15323,4	18087,5	21435,3	24069,4	36335,6
Lower Amudarya region (Republic of Karakalpakstan and Khorezm)	3398,8	4157,3	5046,2	6518,0	10243,0
	4129,6	5061,0	6167,7	7093,8	11457,2
Total	7528,4	9218,3	11213,9	13611,8	21700,2

In addition, the GDP per capita in the country amounted to 15,242.0 thousand soums (or the equivalent of 1,724 US dollars). This figure is an increase of 3.6% compared to 2018. GDP growth per capita in 2015-2019 was 2.7% and 3.6%, respectively (Table 2). At the same time, in 2019 the population of Kashkadarya region increased by 11233.3 thousand soums per capita, the population of Surkhandarya region - by 8597.2 thousand soums. Compared to other regions, Surkhandarya region has a lower than average figure. This requires improving the investment climate in the region.

TABLE 2 GROSS REGIONAL PRODUCT PER CAPITA(AT CURRENT PRICES, THOUSAND, SOUMS)[3]

Regions	2015	2016	2017	2018	2019
Republic of Karakalpakstan	2839,5	3612,7	5597,6	8086,9	9944,1
Andijon	3527,3	3836,5	6429,7	8720,1	10621,6
Bukhara	5063,2	5971,9	8888,1	11254,4	13980,1
Jizzax	3309,7	3808,2	6967,3	9019,7	11126,3
Kashkadarya	4556,0	4872,3	7257,6	8791,2	11233,3
Navoi	9890,6	11271,0	14975,0	22786,2	37119,5
Namangan	2887,8	3374,2	5419,0	6619,5	8353,6
Samarkand	3442,4	3886,6	6937,2	8307,9	9793,9
Surxondaryo	3271,6	3764,0	5506,7	7002,9	8597,2
Sirdaryo	4655,0	5258,7	7945,8	9802,3	12500,3
Tashkent	6345,6	7300,9	9787,6	13463,8	17164,2
Fergana	3621,0	3938,7	5521,9	7287,2	8861,5
Khorezm	3562,7	4026,2	6397,8	8373,6	10337,4
Tashkent city	11289,8	13068,8	16658,0	21988,6	29331,2
Republic of Uzbekistan	5489,3	6258,3	9340,8	12339,1	15242,0

Countries or individual regions have specific characteristics that are the main force that motivates investors to earn high returns (profits). At the same time, each region seeks to make full and effective use of its domestic potential, development potential, increase export potential by creating a favorable investment climate.

Therefore, investors try to place their investments primarily in the region or area where relatively cheap raw materials, labor, energy, water and other production resources are available. At the same time, investors are also interested in the macro-meso and micro-level economic situation in the state or region, formed over a period of time under the influence of political, economic and social and economic conditions.

This situation provides investors with information on the level of investment risk in the country (region) chosen to invest. From this point of view, the assessment of the specifics of the regions and territories of Uzbekistan will serve to invest in the socio-economic development of the regions and find solutions for its optimal placement.

The geopolitical position of the southern region is also described, bordering Turkmenistan to the west and southwest, Afghanistan to the south, and the Republic of Tajikistan to the east. It has a relative advantage in transport costs in the export of goods to the Tashkent region, Fergana region, Russia, Kazakhstan, China, while the southern region has a relative advantage in transport costs in the export of products to Turkmenistan and Afghanistan. This is reflected in the GRP of the regions, the amount of investment in fixed assets by region in 2015-2019 (Table 3).

TABLE 3 INVESTMENTS IN FIXED ASSETS BY REGIONS(AT CURRENT PRICES, BILLION SOUMS)[4].

Regions	2015	2016	2017	2018	2019
Republic of Karakalpakstan	5757,0	3730,2	2235,0	6046,4	8434,6
Andijon	1637,8	1882,2	2236,0	4055,9	8183,7
Bukhara	3878,8	5822,7	11008,9	7846,1	9867,0
Jizzax	1027,9	1252,7	1436,7	3169,2	7919,3
Kashkadarya	5224,3	6334,0	10181,9	15321,1	23525,3
Navoi	1690,7	2839,1	2784,5	10059,1	17775,3
Namangan	1926,6	2362,6	3052,0	7131,0	12187,0
Samarkand	2767,1	3362,2	3307,1	5746,9	9798,6
Surxondaryo	1552,4	1891,8	2949,1	6111,0	12232,4
Sirdaryo	1001,8	1091,2	1324,4	2154,6	6129,2
Tashkent	3929,2	3808,4	4301,8	9351,4	16935,1
Fergana	2072,7	2346,8	2377,4	4978,4	9164,2
Khorezm	1397,8	1451,4	1677,1	2980,0	5566,8
Tashkent city	6747,3	10738,7	11525,9	21861,5	41497,9
Republic of Uzbekistan	40737,3	49476,8	60714,2	107333,0	189924,3

It is known that attracting domestic and foreign investment to the regions, the establishment of joint ventures with foreign partners will create the basis for the production of new competitive products, job creation and improving the welfare of the population.

CONCLUSION/RECOMMENDATIONS

The rapid population growth in the countries bordering the southern region, the growing demand for food, industrial and construction products make it necessary to effectively place investments. In our opinion, positive results can be achieved in the future by implementing the following measures in this area:

first, it is necessary to create a favorable investment climate by coordinating the factors affecting investment in terms of improving the network system of the region;

secondly, it requires further improvement of the organizational and economic mechanism, which is compatible with market relations and includes private and public forms of investment;
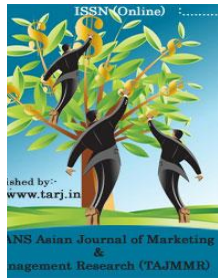
thirdly, it is necessary to develop the concept of "Industrial Development in the Region" aimed at increasing the effectiveness of regional programs to attract domestic and foreign investment in the region's economy, increase investment attractiveness;

fourth, to take advantage of the opportunity to attract foreign investment to the region's economy through the sale of securities of public and private enterprises operating in the region in international securities markets;

fifth, it will be necessary to strengthen the incentive functions of taxes and subsidies within the system of regulating investment activities.

TAJMMR

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THE ROLE OF FINANCIAL AND CO-OPERATIVE RELATIONSHIPS IN THE PRODUCTION OF AGRICULTURAL PRODUCTS IN THE COUNTRY

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ABSTRACT

The current state of agriculture in the country and the role of cooperative forms and relationships in the production, storage, processing and export of agricultural products are analyzed. In addition to creating a solid legislative framework for agricultural cooperative development, such policies must be consistently shaped using international experience in the field to benefit the modern Uzbekistan. The sales market, the composition of the gross and retail consumers, their economic status, and the amount of consumption of a particular product or service are determined.

KEYWORDS: *Co-Operation, Integration, Diversification, Innovation, Agricultural Financing, Investment, Trend Equations, Forecasting, Agrarian Policy.*

INTRODUCTION

Large-scale work on reforming the economy and agricultural development is being carried out in our country, with the need to create a modern system of cooperation in the agricultural sector, particularly in horticulture and viticulture, using high-efficiency international cooperatives practices.

President of the Republic of Uzbekistan Shavkat Mirziyoev at a videoconference meeting on November 5, 2019, on the further development of the fruit and vegetable sector and increasing exports and ensuring efficient use of public gardens, pointed out that the intensive gardens in Uzbekistan were not sufficiently established, and their economic efficiency still remains very low, moreover, it was noted that thousands hectares of gardens in regions do not produce fruits

for years. It has been noted that " still no cooperative system has been established so far to create a local production - purchase - storage and processing - export chain.[1]

According to the Presidential decree of the Republic of Uzbekistan from July 29, 2019 "About additional measures for deep processing of agricultural products and further development of the food industry" the Ministry of Agriculture, the Ministry of Economics and the industry of the Republic of Uzbekistan on introduction of cooperative association by the Council of farms and homeowners in Gallaaral and Zomin districts of Jizzakh region, in Bulungur and Urgut districts of Samarkhand region, Ferghana The positive results of the pilot experiments conducted in Altyaryk and Kuva districts of Tashkent region, in Kibray and Parkent districts of Tashkent region were approved for popularization of this experience in other regions of the country.

Increasing the number of agricultural entities and providing them with extensive opportunities, established on the basis of membership fees (shares) by agricultural, manufacturing, processing, selling (selling services), supply, horticulture, garden, livestock and other services; the creation of such additional facilities has been identified as a priority in this area[2].

The Council of Farmers, peasants and land owners of Uzbekistan and other interested ministries and agencies are taking measures to establish agricultural cooperatives, to launch cooperative business within the "Every Family - Entrepreneur" program. By joining the cooperation, the agro-industrial complex will have the opportunity to accelerate the provision of modern machinery and cost-effective technologies, save production costs and apply innovative cost-effective technologies, and expand the production of local food and other consumer goods. One of the most important areas of agricultural development is the need for effective cooperation among agricultural sector participants in finding ways to prevent the destruction and loss of agricultural products in the production, procurement, transportation, processing and sale nexus of agricultural products.

LITERATURE REVIEW

In the conditions of market economy, farmer's cooperation develops within the framework of state policy. In addition to creating a solid legislative framework for agricultural cooperative development, such policies must be consistently shaped using international experience in the field to benefit the modern Uzbekistan. Cooperative in agriculture will educate a new farmer, train him to take initiative and self-help, develop his social perceptions and engage him in a mental culture. The famous cooperator N.P. Gibner describes the cooperation as follows: Co-operation is a system of new, independent and voluntary groups of people, each earning their own business, rather than earning money to pay for co-operation in production and exchange. the equity is paid only by the fair market interest rate determined by the money market.

Tkach defines co-operation as an economic method that can achieve great results by attracting common funds and capital.

According to M.F.Shklyar, co-operation will be effective only if it identifies, demonstrates, organizes, satisfies and protects the public interest. Co-operative is the association of persons for joint production and sale of goods, purchase and consumption of goods or services, construction and operation of places and other purposes.

According to K.I.Vakhitov, the cooperation is a voluntary initiative and self-governing public organization, which aims to assist in improving the living and working conditions of its members and as the form of community (group), cooperation conducts its activity as a legal entity with public and social property.

Results of Analysis

Identification and effective use of financial resources for the development of each sector in the country is the basis for network development. In the course of implementation of these relations, the government pays special attention, for example, at a videoconference meeting of President of the Republic of Uzbekistan Sh. Mirziyoev, dedicated to the further development and increase of exports of fruit and vegetable industries, ensuring efficient use of the household plots pointed out that "rent will be allocated from 1 hectare to 5 hectares on the basis of newly created cooperatives. Furthermore, 1 trillion soums will be allocated for the construction of new gardens and vineyards within the "Every family - entrepreneur" program[3].

In this regard, the amount of projects funded by Asaka Bank for, in particular, viticulture development totaled 438 projects in the amount of 108.8 billion sums. In 2017, the total number of projects amounted to 210 worth of 60.1 billion sums (Graph 1). Looking at the breakdown by regions, the number of projects in the Andijan, Namangan, Samarkand, and Ferghana provinces is high. The number of projects financed by the Bank in the Republic of Karakalpakstan, Navoi region, Syrdarya and Khorezm regions is lower than in the above-mentioned provinces. Undoubtedly, further development of this sector will serve as a basis for economic growth of the country.

1-graph[4].Asaka bank-funded projects for viticulture development across the regions.
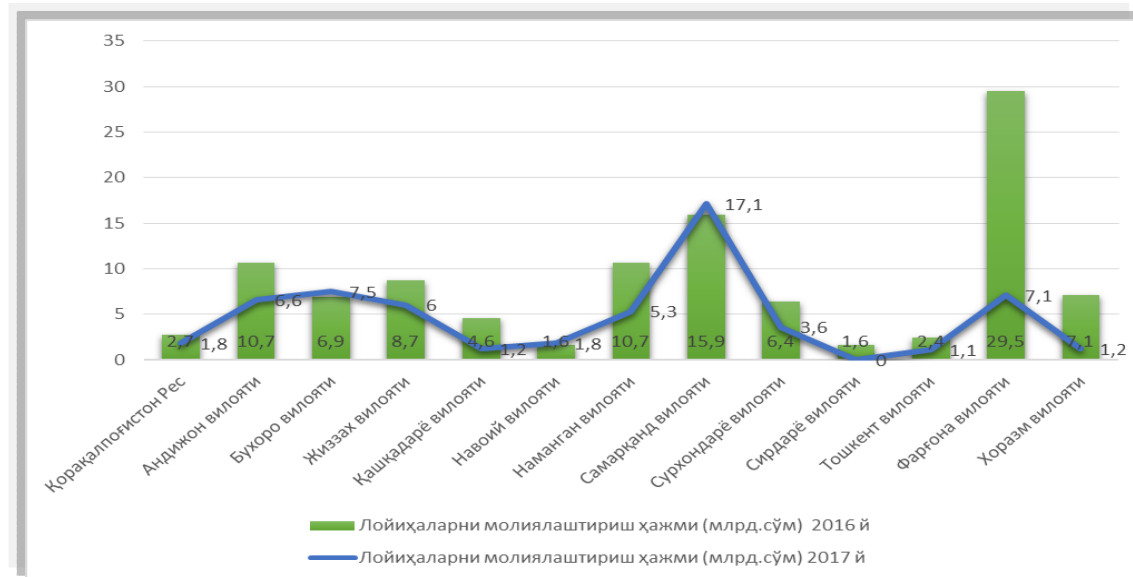
It is planned to grow 1.9 million tonnes of grapes in the country in 2019 and will be created 8,000 hectares of new viticulture, the total cost of these projects will make up 75.1 billion soums (including bank credit - 20.1 billion soums). In addition, 2.2 thousand hectares of viticulture will

be reconstructed, which will cost 6.2 billion soums. As part of these projects, more than 900 new jobs will be created in the regions of the country.

According to the obtained data on the dynamics of agricultural production in the republic and their productivity, there is a tendency for using graphs to illustrate trends. Changes in the basic indicators of agricultural production and productivity were determined by a regression equation that best describes the actual patterns of production.

Using the available software, the trend parameters are adjusted to the dynamics of agricultural production (Table 1). The trend analysis presented in Table 1 shows that there is a very strong correlation between the determinants' coefficients in the models that are analyzed for the accuracy of the models, but the average model error is less than the first model and the third model. Consequently, the yield and productivity gains for all types of agricultural products presented in Table 1 are consistent with the accelerated development.

Predicted values were obtained by extrapolating the main types of agricultural products in the country using the trend equations, which were determined by production volumes and productivity indicators (Table 2).

The result of the forecast analysis shows that by 2025 country`s fruit production will gave reached to 119,1 per cent, grape production will have grown to 114,6 per cent, predictability index for fruit production is 83,0 per cent, the forecasted yield of grape production is 147.9%.

Of course, the process of further development of agricultural production is a co-operative, which is a way of meeting the needs of certain layers or groups of society at various stages of society development, as a form of historically and continuously improving social and economic activities. In a market economy, co-operation is a form of social-economic activity based on the property of individuals or legal entities voluntarily united to meet the social needs of its members and people through productive business activities.

Agricultural Cooperative nurtures a new farmer, teaches him entrepreneurship and self-development, develops his social perceptions, and draws him to a mental culture.

On the other hand, the cooperative affects the personality of the farmer. At the same time, cooperative farms choose the legal form of their activities according to their rationality.

Of course, the cooperative practice is not without its flaws and mistakes. Nevertheless, co-operatives on earth regard their organizations as the best economic system because they are socially oriented and the focus is on their members.

By joining the cooperation, the agro-industrial complex will have the opportunity to accelerate the provision of modern machinery and cost-effective technologies, save production costs and apply innovative cost-effective technologies, and expand the production of local food and other consumer goods.

In the modern world, the experience of cooperative action deserves careful study and practical application in all respects, since co-operation is an international phenomenon of human activity. The practical importance of co-operative study abroad is that it allows for a better mutually beneficial cooperation internationally.

Development of cooperation should not exclude the development of structures that provide services to commodity producers based on other forms of ownership. The efficiency of cooperative forms of management can be achieved only on the basis of competition with these structures.

1-TABLE[5] TREND EQUATIONS BY VOLUME AND PRODUCTIVITY OF FRUIT AND GRAPE PRODUCTION IN THE REPUBLIC FOR 2008-2018

Areas of development	Trend equations	Average absolute error	R^2
The trend equations of fruit production volumes			
1. Smooth development	$\bar{Y}t = 139{,}29X + 1278{,}3$	44,75	0,9852
2. Smooth accelerated development	$\bar{Y}_{t=} -4{,}2006X^2 + 189{,}7X + 1169{,}1$	34,6	0,9921
3. Indicative development	$\bar{Y}_{t=1275{,}8X}^{0,3026}$	80,53	0,9527
The trend equations of grape production volumes			
1. Smooth development	$\bar{Y}t = 89{,}98X + 729{,}37$	37,5	0,9669
2. Smooth accelerated development	$\bar{Y}_{t=} -3{,}9358X^2 + 137{,}21X + 627{,}04$	33,6	0,9813
3. Indicative development	$\bar{Y}_{t=726{,}872X}^{0,3327}$	52,79	0,9554
Trend equations for fruit yields effectiveness			
1. Smooth development	$\bar{Y}t = 4{,}7159X + 80{,}343$	5,24	0,8369
2. Smooth accelerated development	$\bar{Y}_{t=} -0{,}4598X^2 + 10{,}234X + 68{,}388$	4,19	0,8989
3. Indicative development	$\bar{Y}_{t=77{,}724X}^{0,2032}$	4,98	0,8811
Trend equations for grape yields effectiveness			
1. Smooth development	$\bar{Y}t = 8{,}4078X + 66{,}509$	1,99	0,9895
2. Smooth accelerated development	$\bar{Y}_{t=} 0{,}1556X^2 + 6{,}54X + 70{,}556$	1,69	0,9922
3. Indicative development	$\bar{Y}_{t=69{,}109X}^{0,3139}$	6,62	0,9177

2-TABLE[6].MAIN ANALYSIS INDICATORS FOR FRUIT AND GRAPE PRODUCTION IN THE REPUBLIC FOR 2008-2018

Indicators (factor variable)	The true condition	Forecast indicators								
	2018	2019	2020	2021	2022	2023	2024	2025		2025 compared to 2018 (%)

1.	Forecast indicator on fruit production (tn)	2706,2	2840,6	2925,3	3001,6	3069,5	3128,9	3180,0	3222,7		119.1
2.	Forecast indicator on grape production (tn)	1589,8	1706,8	1745,6	1776,5	1799,6	1814,8	1822,1	1821,6		114,6
3.	Prediction of the yield effectiveness of fruit products (t / ha)	125,3	124,9	123,7	121,5	118,4	114,4	109,5	103,6		83,0
4.	Prediction of the yield effectiveness of grape products (t / ha)	161,3	171,4	181,9	192,6	203,7	215,0	226,7	238,7		147,9

At the same time, cooperation cannot be developed without the support of public authorities and administration, including through the creation of an appropriate regulatory framework for its formation, development. For the proper development of all types of cooperation, it is necessary to develop and implement state and regional programs of development and support of cooperation by the state. At the present stage, it is important to establish cooperatives and their systems based on the principles of self-government by agricultural enterprises, farms, enterprises and organizations in the processing and service industries. In the first phase of the cooperative's creation, the number and composition of the founders, their location, and the expected results of the joint activities are justified. Potential agro-services, production and processing of agricultural products are identified for each branch of the cooperation. The sales market, the composition of the gross and retail consumers, their economic status, and the amount of consumption of a particular product or service are determined. If the existing capacities do not provide for the processing of agricultural raw materials, it is envisaged to build additional capacities of the joint ventures on a cooperative basis, to determine the amounts and sources of funding, including contributions to the members.

An important feature of the agricultural cooperative's purchase and sale is that farmers, dehkan farms and other commodity producers create their own cooperative processing enterprises, which assign them the task of purchasing raw materials and selling finished products.

Thus, in determining the organizational and economic mechanisms for the establishment of agricultural cooperatives in the conditions of Uzbekistan, it is necessary to study the mechanisms of establishing cooperative relations of foreign countries and to look for their practical application.

CONCLUSIONS AND POLICY IMPLICATIONS

In the legal documents governing the development of cooperation between the state and society, it is worth noting that these processes have a very weak legal provision. The state, which is interested in the development of a multilateral economy based on different forms of ownership,

does not currently grant special legal status to the development of industrial and agricultural cooperation. The feasibility of developing all types of cooperation is not monitored by the development and implementation of state and regional government development and support programs. At the present stage, it is important to establish cooperatives and their systems based on the principles of self-government by agricultural enterprises, farms, enterprises and organizations in the processing and service industries. The complexity of establishing cooperatives and their systems is determined by the lack of financial resources.

In developed countries, cooperatives between farms do not represent their consolidation into a single farm, but rather the activities of farmers, who independently carry out their economic activities, as individuals and legal entities, and jointly protect their economic interests.

The following forms of cooperation can be created through the improvement of joint cooperation: cooperative in all areas; providing technical services to farms; joint labor organization; joint use of land resources; sales and supply; joint loans, insurance and etc.

It is desirable to differentiate between the two main types of labor cooperation, namely household and inter-farm activities. Internal economic cooperation is manifested in the family. Inter-economic cooperation on labor cooperation usually occurs during the entire production period (permanent) or during certain production processes (temporary labor cooperation).

International experience of cooperative relations in the form of cooperative management of the following principles must be strictly adhered to:

1. scientific and economic feasibility of farms being established on cooperative basis;
2. voluntary integration into new business structures and the adoption of documents and decisions on democratic grounds;
3. фselection of forms of management, providing mutual interest of farms, enterprises, organizations and state bodies;
4. provision of cooperative organizations with territorial, socio-economic orientation in running the farm;
5. determining the ways of sustainable development of farms and dehkan farms specializing in agriculture based on cooperative forms and relationships;
6. identification of directions for ensuring the comprehensive development of agricultural production in the country.

It is advisable to improve cooperatives through the following incentives: through financial support; subsidized lending; granting tax and customs privileges for the use of advanced foreign technology for processing agricultural products; compensation of contract insurance costs; through production development; sectoral support for agriculture (provision of elite seeds, productive and disease-resistant seedlings); to compensate for the costs of material and technical resources and to severely limit the interference of local authorities in the production of farms to ensure that prices are balanced between industrial and agricultural output.

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