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Title: **THE NEED OF INVESTMENTS IN THE DEVELOPMENT OF AGRICULTURAL SECTORS**

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THE NEED OF INVESTMENTS IN THE DEVELOPMENT OF AGRICULTURAL SECTORS

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Abstract: The article addresses the crucial role of attracting investments in the conditions of sustainable agricultural development. Indeed, attracting and consuming of investments, especially foreign investments, in the agriculture and food industry plays an important role in the development efficiency and productivity of agricultural sector.

Keywords: Investment, agricultural production, result of mechanization, market economy

Introduction

Investments are made in any socio-economic system. Because they are spent on strengthening the state, the industry, the enterprises and, finally, the economic base of the population. In the Republic of Uzbekistan, where a free market economy is gradually being formed, it is an objective necessity to invest in the development of agriculture. Because in order to prioritize the development of the industry, it is necessary to build a strong material and technical base. To do this, it is necessary to provide it with modern buildings, all kinds of necessary, efficient equipment, agricultural machinery, internal irrigation and land reclamation facilities, serum, early maturing varieties, pedigree and breeding animals and circulating vehicles, innovative technologies and other means of production.

All funds spent on the means of agricultural production are called investments. They will strengthen the material and technical base of agricultural enterprises, reduce costs as a result of mechanization, chemicalization, electrification, irrigation and land reclamation of production processes, increase the volume and improve the quality of products, increase the amount of income. This is the ultimate goal of making investments.

With this in mind, the country has

developed a sustainable investment policy. It is carried out in the country on the basis of the laws "On Investment Activity", "On Foreign Investment" and other regulations [2].

In the formation of investment policy in agriculture in a market economy, special attention should be paid to:

- selection of competitive projects on a tender basis. This will ensure the establishment of a market for investment projects in agriculture;
- the economic viability of investments in agriculture. The socio-economic results should be determined, considering the real characteristics of the natural and economic factors of agriculture. Because, in most cases, the funds allocated in the project are not enough to carry out the planned activities, and as a result, the intended goal is not achieved. This leads to long-term delays in investment projects;
- attracting foreign investors and their investments in agriculture. To do this, it is necessary to develop private ownership of all agricultural products [1].

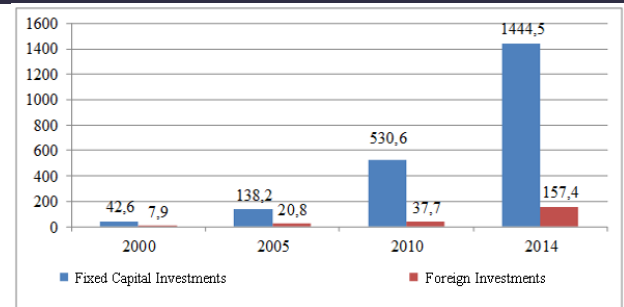
Investments play an important role in the national economy and agriculture. First, capital investment is a major part of total costs.

Changes in investment have a sufficient effect on aggregate demand, but also provide a change in employment and gross national income (GNI). In addition, investments lead to the accumulation and increase of fixed assets of the enterprise. At the same time, the money spent on the expansion of productive forces may not affect the results of the enterprise at the initial stage, but will create the necessary basis for future economic growth.

Investments will ensure the comprehensive development of agriculture. Because in return, the material and technical base of the network will be strengthened. As a result of their full and efficient use, live labor costs are reduced, production volumes are increased and quality is improved. This will ensure that the demand for agricultural products is better met. At the same time, the amount of net profit increases. As a result, there is an opportunity to develop agriculture on the basis of expanded reproduction. The socio-economic situation of the population will further improve. This indicates that there is a social and economic efficiency of investment, capital investment [1].

In the context of the global financial and economic crisis, meeting the demand of the domestic and foreign markets for agricultural products is the most pressing issue. It is necessary to invest to solve it. To do this, it is necessary to ensure political, regional, economic and social stability. During the gradual transition to a market economy in the country, the above-mentioned conditions are being created. At present, the political and economic stability of the Republic allows attracting investments in agriculture. The legal framework of investment policy has also been established to ensure its development. Their presence ensures a certain amount of investment in the network in recent years.

Investments in the "Agriculture" sector of the economy of Uzbekistan (in billion soums)¹



Analyzing this diagram, we can see that the amount of investment in the sector has increased significantly in recent years as a result of the formation of a favorable investment climate in the industry to attract foreign investment and the development of its legal framework. In particular, in 2000, about 7.9 billion soums of foreign investment was attracted, while in 2014 this figure was 157.4 billion soums. During these years, the volume of attracted foreign investment has increased almost 20 times (Figure 1) [3].

Investments in agriculture are mainly targeted to:

- construction and overhaul of buildings and structures;
- purchase of all types of equipment;
- implementation of irrigation and reclamation measures;
- development of animal husbandry;
- introduction of new technologies;
- modernization of production;
- development of horse breeding, breeding and breeding;
- development of intellectual potential [1].

As a result of investments, the reclamation of lands is improving, the level of water supply is increasing, and crop yields are increasing due to mechanization and chemicalization of production. In 2010-2014, the yield of grain crops increased from 43.6 to 45.3 quintals, and the yield of potatoes from 194.9 to 213.6 quintals. During these years, the average yield of vegetable crops increased by 106% to 268.3 quintals, and the yield of fruits and berries increased by 125% to 116 quintals.

¹ Prepared by the authors on the basis of data from the State Statistics Committee of the Republic of Uzbekistan

As a result, the gross crop yield also increased. This has led to an increase in the volume and value of gross agricultural output. All this ensures an increase in the economic efficiency of investments in agriculture, and it is worth noting that investments in agriculture are showing their effectiveness [3].

Based on the above, it should be noted that both domestic and foreign investments play an important role in the rapid and effective development of the rural sector of the economy. Therefore, the investment climate created in our country for foreign investment has become one of the decisive factors in the ongoing economic policy. Without investment, it is impossible to quickly solve economic difficulties during the financial crisis and overcome the consequences of the crisis, achieve economic growth, increase social efficiency and ensure macroeconomic stability.

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