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FINANCIAL RESOURCES AS A FACTOR IN THE INNOVATIVE DEVELOPMENT OF THE ECONOMY

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ABSTRACT: The article identifies the problems associated with improving the practice of using financial resources in the innovative development of the economy of the Republic of Uzbekistan, and developed scientific proposals for their solution. As well as, the existence of an effective investment and industrial policy of the state (with clear directions for the allocation of financial resources), the development of investment infrastructure, which is the main direction for reducing the risks associated with the implementation of investment projects, the issues of increasing the investment attractiveness of enterprises are analyzed.

Keywords: own funds of business entities, commercial bank loans, state budget funds, foreign investment, international loans, other borrowed funds.

Scientific and technological progress is one of the key factors of economic growth. This is due to the fact that in order to ensure the innovative development of the economy, it is necessary to accelerate scientific and technological progress. Ensuring the transition of the economy to the path of innovative development, in turn, will ensure its international competitiveness.

The transition of the economy of the Republic of Uzbekistan to the path of innovative development is a necessary condition for its competitiveness. In the “Strategy for the Further Development of the Republic of Uzbekistan”, approved by Decree of the President of the Republic of Uzbekistan dated February 7, 2017 PD-4947, modernization, technical and technological renewal of production will further strengthen macroeconomic stability and high economic growth was recognized as one of the necessary conditions for maintaining living standards [1].

Also, a progressive idea in the State Program for the implementation of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 in the “Year of Active Entrepreneurship, Support for Innovative Ideas and Technologies”, a step-by-step transition to a new economic model specializing in the creation of know-how and production of “smart” technologies [2].

In turn, the innovative development of sectors of the economy requires the formation of sources that will fully finance the costs of innovation.

Sources of financing for innovative development of sectors of the economy are:

- * Own funds of business entities;
- * loans from commercial banks;
- * means of the state budget;
- * foreign investments;
- * international loans;
- * other borrowed funds.

Table 1
Composition of sources of financing investments in fixed assets in the Republic of Uzbekistan, in percent

Financing sources	Years				
	2016	2017	2018	2019	2020
Own funds of enterprises	55,2	54,7	52,9	53,0	29,4
State budget funds	5,3	4,5	4,5	4,5	5,5
Loans and other loans from commercial banks	10,3	11,2	11,8	10,0	11,0
Foreign investments and loans	19,3	19,8	19,9	21,3	20,4
Other sources	9,9	9,8	10,9	11,2	33,7
Financing sources - Overall	100,0	100,0	100,0	100,0	100,0

The table shows that in 2020 the share of enterprises in the total volume of sources of financing for their investments in fixed capital has sharply decreased due to an increase in the share of other sources. This is due to the fact that in 2020 the share of the Fund for Reconstruction and Development of the Republic of Uzbekistan increased in the total volume of sources of financing investments in fixed assets and amounted to 8.5%.

Commercial bank loans play an important role in ensuring the innovative development of economic entities in the country.

There should be a number of conditions for financing the innovative development of the real sector of the economy through loans from commercial banks. The main ones are:

- the existence of an effective state investment and industrial policy (with clear directions for the distribution of financial resources);

- development of investment infrastructure, which is the main direction of reducing the risks associated with the implementation of investment projects;

- Increasing the investment attractiveness of enterprises [3].

It should be noted that the stratification of the required reserve rates of the Central Bank of the Republic of Uzbekistan in September 2020, depending on the terms of deposits of commercial banks, significantly increased the ability of banks to provide investment loans.

“Action Strategy for the Further Development of the Republic of Uzbekistan”, approved by Decree of the President of the Republic of Uzbekistan No. PD-4947 dated February 7, 2017, sets the task of attracting loans from international financial organizations and foreign banks to the Uzbek economy [4].

This forces commercial banks to attract international loans in large volumes and use them effectively.

Shurtangaz chemical complex, Bukhara oil refinery, Kungirat soda plant, Dekhkanabad potash fertilizer plant, Ustyurt gas chemical complex with a capacity of 83 thousand tons of unique polypropylene products per year, a plant for the production of 760 thousand tons of Portland cement was built in Jizzakh. High-speed passenger trains Talgo-250 were purchased and launched in the region on the Tashkent-Samarkand and Tashkent-Karshi routes. International loans played an important role in completing the construction of the Angren-Pop electrified railway.

One of the serious problems of investments in the development of an innovative economy is the late repayment of loans issued by commercial banks of the Republic of Uzbekistan to finance investment projects.

An analysis of unjustified investment projects financed by loans from the largest commercial banks in the country showed that serious

mistakes were made during their comprehensive consideration. Take, for example, the Kosonsoy-Tekmen project. New equipment and technologies have been introduced to produce innovative goods. However, these methods and technologies are specialized in processing the wool of merino (chualang) sheep living in Australia. Importing wool from Australia to Uzbekistan is not economically feasible. As a result, white goat hair had to be used. But the product is of such low quality that it is impossible to sell it.

The fact that the country's commercial banks have unilateral representative relations with foreign banks, i.e. foreign banks do not have Vostro correspondent accounts with Uzbek banks, which negatively affects the liquidity of the country's banks.

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