

RESEARCH OF FORECASTS FOR FUTURE PERIODS OF INVESTMENTS IN THE REGION

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Abstract: *The article is devoted to the issues of forecasting investment investments in the Republic of Karakalpakstan while increasing the investment attractiveness of the region. In particular, directions for growth and improvement of the investment environment in the region are outlined. According to the extrapolation method and models obtained from the results of trends, forecast indicators of investments in fixed capital have been developed. The author proposes alternative scenarios for the growth of investment investments in the socio-economic development of the Republic of Karakalpakstan, as well as the volume of small business and entrepreneurship in industry for future periods.*

Keywords: investment in the region, investment in fixed capital, forecast indicators, trend results, scenario options, investment growth.

Introduction. At present, conducting research aimed at improving investment activity based on the local conditions of the territorial, regional, national and global world economy is one of the main urgent tasks of our time. As is known, in recent years, 126 significant new investment ideas have been introduced between 65 countries of the world. Of these, 84 showed a positive result to investors, but in many countries the implemented investment decisions revealed a negative effect [1].

In each country, investments are an integral part of the economy, an important pillar in achieving the priority areas of the country's socio-economic development. In particular, the Decree of the President of the Republic of Uzbekistan No. PP-4937 "On measures to implement the Investment Program of the Republic of Uzbekistan for 2021-2023", adopted on December 28, 2020, makes it possible to implement such tasks as the development of entrepreneurship in our country and the creation of a favorable environment for attracting foreign investment [2]. However, today there are shortcomings and problems that impede the increase in business and investment activity in the regions of the country, the formation of an even and healthy competitive environment in the regions, as well as the improvement of the effectiveness of economic reforms in general.

As you know, the directions for increasing the investment attractiveness of a particular territory include:

1. Improve the region's investment climate and economic potential, which directly affects the attraction of investments;
2. Increasing the liquidity of the components of the investment attractiveness of the region;
3. At the same time, the use of universal measures that promote growth and increase the investment attractiveness of the region.
4. It should be noted that today centralized investments cannot be considered sufficient to solve the priority tasks of the socio-economic development of the regions of Uzbekistan. Because they require the improvement of investment activity in the regions of the country based on local conditions. Based on the indicators of the level of socio-economic development of each region, it is necessary to take into account their weaknesses and shortcomings, as well as their potential advantages.

That is, this can be achieved by realizing the investment potential of the regions. But in the process of implementing this issue, extreme caution is required along with special rigor.

Research methodology. It is aimed at highlighting the theoretical and practical development of a scientific forecast, as well as the possibilities of increasing the investment attractiveness of the region, based on scientific and theoretical analysis and monographic observations, based on the priority areas of the concept of socio-economic development of the regions of Uzbekistan.

Based on this, the possibility and potential of investment investments are recognized as very important in solving long-term and medium-term strategic measures for the integrated socio-economic development of the economically backward region of our country, in particular the Republic of Karakalpakstan. Therefore, in our opinion, the scientific forecast of investment investments is considered the most important issue of improving investment activity based on the investment potential of the Republic of Karakalpakstan.

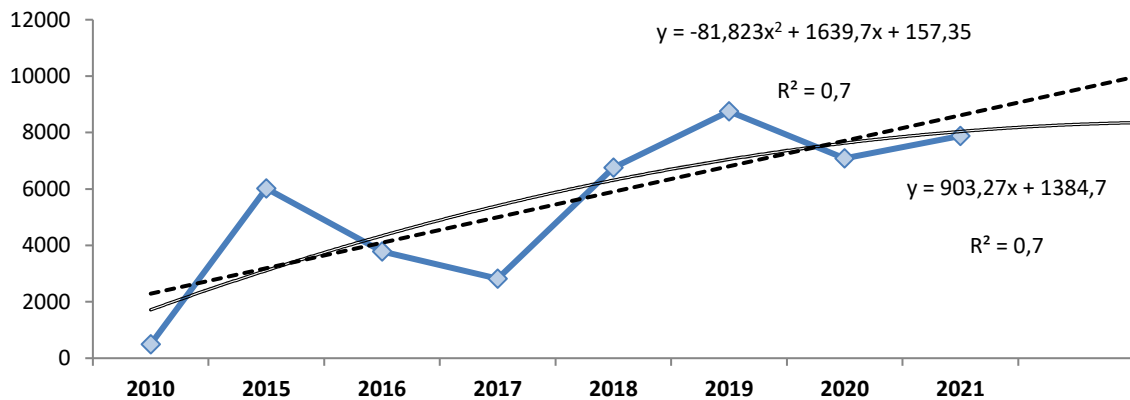
Analysis and results. Based on this point of view, we decided to develop variant scenarios for the growth of investment in fixed assets in the Republic of Karakalpakstan and an investment forecast for future periods based on economic statistics presented in Table 1.

Table 1.

Factors affecting the forecast indicators of investments in fixed capital of the Republic of Karakalpakstan for future periods¹

Years	Investments in fixed assets in the Republic of Karakalpakstan, (billion UZS)	The volume of small business and entrepreneurship in the industry of the Republic of Karakalpakstan, (billion UZS)	The volume of GRP of the Republic of Karakalpakstan, (billion UZS)	The share of small businesses in the GRP of the Republic of Karakalpakstan, (%)
2010	496,4	205,4	2181,7	63,6
2015	6021,2	1006,3	6703,8	67,3
2016	3778,3	1133,4	8568,3	61,0
2017	2822,0	1365,4	10855,1	55,7
2018	6757,8	2219,3	15703,5	54,9
2019	8750,6	2517,5	19715,0	54,7
2020	7089,8	3382,1	21949,3	56,2
2021	7879,1	3721,8	26250,7	56,4

To solve this problem, in order to determine the trend of changes in factors affecting the performance indicators, we draw conclusions by describing the trend lines in the dynamics of changes in investments in fixed assets in the Republic of Karakalpakstan (see Fig. 1).



Picture 1. Graph of the growth dynamics of investment in fixed capital in the Republic of Karakalpakstan and its trends²

The model obtained from the results of the graph in fig. 1 and the trend lines drawn relative to it, serves as the basis for the formation of our next scientific conclusions. In particular, in the Republic of Karakalpakstan, with an increase in investment in fixed assets, there is also a certain increase in the volume of small business and entrepreneurship in industry. This can be seen from the linear filtering of the graph of the dynamics of the volume of small business and entrepreneurship in the industry of the Republic of Karakalpakstan (Fig. 2).

¹ Compiled on the basis of data from the State Department of Statistics of the Republic of Karakalpakstan.

² Compiled by the author based on research results.

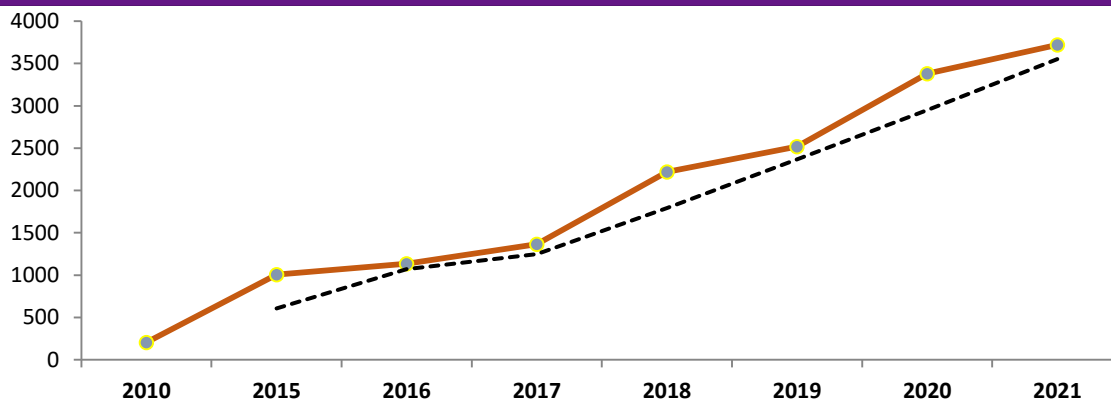


Figure 2. Graph of the dynamics of the volume of small business and entrepreneurship in the industry of the Republic of Karakalpakstan and its linear filtering³

This situation, in turn, has a positive effect on improving the business environment in the Republic of Karakalpakstan with the activation of opportunities to attract investment in fixed assets.

These conclusions are connected with the need to take into account the peculiarities of the socio-economic development of the regions in the future when improving the investment process and activities in the regions of our country. That is, in our opinion, it is necessary to provide targeted tax benefits to newly created business entities in some economically backward regions based on the local conditions of the region of the Republic of Karakalpakstan.

Based on the foregoing, medium-term forecast indicators were found based on the forecast of factors affecting investment in fixed capital in the Republic of Karakalpakstan. This scientific forecast is defined in two different versions. In the first version of the scenario, the predictive indicators determined on the basis of the regression equation with the highest coefficient of determination of the reliability of the model approximation for given trends compared to the graph based on the change trend. The second variant of the scenario presents forecast indicators calculated on the basis of the alternative trend regression equation.

The results of the developed predictive indicators are reflected in Table. 2.

Table 2.

Comparative analysis of forecast indicators of investments in fixed assets in the Republic of Karakalpakstan for the period up to 2025,⁴ (billion UZS)

Years	Investments in fixed capital in the Republic of Karakalpakstan		The volume of small business and entrepreneurship in the industry of the Republic of Karakalpakstan	
	1-variant scenario	2-variant scenario	1-variant scenario	2-variant scenario
2022	9514,1	8286,9	4435,2	4167,1
2023	10417,4	8372,0	5107,9	4661,2
2024	11320,6	8450,8	5816,4	5155,2
2025	12223,9	8551,2	6549,5	5649,3

In the medium-term forecast indicators of investment in fixed assets for the period up to 2025, presented in Table 2, investment in fixed assets in the Republic of Karakalpakstan tends to grow in scenarios calculated by both methods. However, in the indicators of the investment forecast, obtained according to the 1st variant of the scenario, there is a relatively high growth rate compared to the method obtained according to the 2nd variant of the scenario.

Compared to this, in both scenarios, there was also a trend of growth in the volume of small business and entrepreneurship in the industry of the Republic of Karakalpakstan. This, in turn, is explained by the increased attractiveness of the investment

³ Compiled by the author based on research results.

⁴ Developed by the author.

environment in the region, the activation of opportunities for attracting investments in fixed assets, the development of small businesses, the improvement of the business environment, and a number of other subjective factors.

For example, the volume of small business and entrepreneurship in industry tends to increase in large numbers under the first scenario, as can be seen from the range of values between the forecast years, and under the second scenario, the growth number is lower than it.

In order to compare the developed forecast indicators with analytical data before the forecast period and show them more clearly from the visual side, they are described in Figure 3 below.

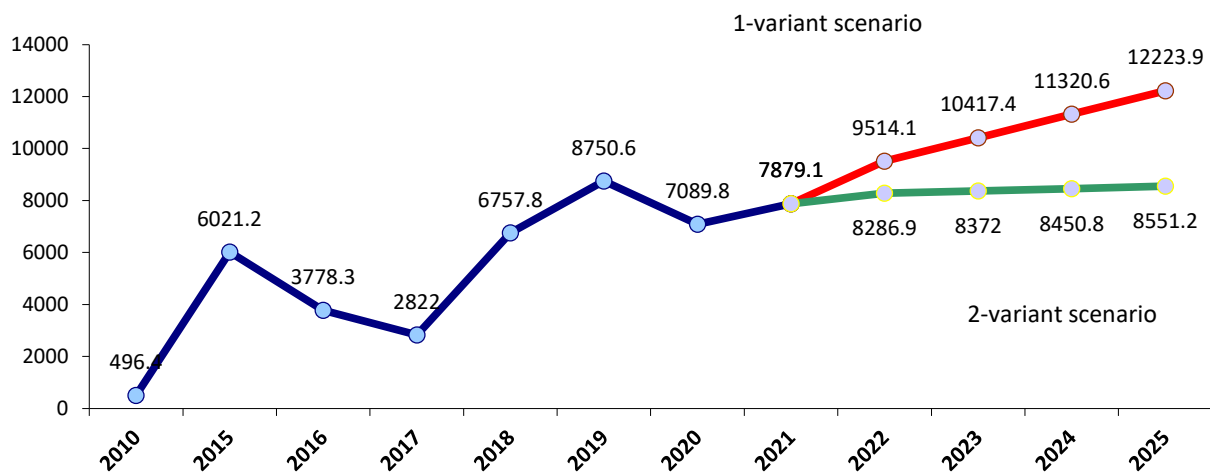


Figure 3. Developed forecast until 2025 of investments in fixed assets in the Republic of Karakalpakstan⁵

Conclusions and offers. From the developed forecast data, it can be seen that investments in fixed assets in the Republic of Karakalpakstan tended to grow in both scenarios of the two options. In particular, if in the forecast indicators obtained for 2022 according to the 1st scenario scenario, the volume of investments in fixed assets in the Republic of Karakalpakstan amounted to 9514.1 billion soums, then in 2023 this figure amounted to 10417.4 billion soums and to 2025 is 12223.9 billion soums, and we see that it can increase by 77.8 percentage points in 2025 compared to 2022 (up to 2709.8 billion soums). This, in turn, takes into account the fulfillment of the forecast parameters for the development of capital investments in the Republic of Karakalpakstan in 2021-2023 on the basis of the Decree of the President of the Republic of Uzbekistan No. PP-4937 of December 28, 2020 «On measures to implement the Investment Program of the Republic of Uzbekistan for 2021-2023» [2].

However, given the limited financial resources, the gradual reduction in recent years of economic support from the central budget is being discussed in various programs and projects and measures are being developed. Therefore, at this time, the main focus is on accelerating measures, on the way to identify additional opportunities for implementing the idea of self-development with a competitive advantage available in the region, based on the use of internal potential. As a priority, it is necessary to rely on the efficient and rational use of the potential of natural resources available in the region [3].

According to this method, in the 1st variant of the scenario, the volume of small business and entrepreneurship in the industry of the Republic of Karakalpakstan is 4435.2 billion soums in forecast indicators for 2022, in 2023 in the amount of 5107.9 billion soums, and by 2025 this indicator will amount to 6549.5 billion soums and may increase by 67.7 percentage points over this period, that is, by 2025 compared to 2022 (by 2114.3 billion soums).

We can hereby imagine the practical implementation, Appendix-2, of the Minutes of the 16th meeting held on February 25 this year "Programs of investment projects in the Republic of Karakalpakstan for 2020-2022 for the development of industry, services and agriculture" on behalf of the President Republic of Uzbekistan Sh.M. Mirziyoyev during his visit to the Republic of Karakalpakstan on February 23-24, 2022 [4].

From a scientific point of view, this situation is also shown by the corridor distances of the range of changes, which are the difference between previous years according to the scenarios of the first and second options. However, the linear trend method predicts a high growth rate of investment in fixed assets. This situation is explained by ensuring an increase in the volume of small business and entrepreneurship in industry as a result of improving investment activities in the conditions of the Republic of Karakalpakstan. This is very consistent with the goals and directions of our current dissertation research. Based on these opinions, we accept the forecast scenario obtained by the linear trend method as an optimistic scenario, and the scenario of the forecast scenario using the second polynomial trend method can be estimated as a state before development based on the phases of the economic

⁵ Prepared by the author based on the results of the research.

cycle.

So, at the end of this section of our study and the forecast indicators developed above, we are convinced of the expediency of improving investment activity based on the local conditions of the Republic of Karakalpakstan. This, in turn, undoubtedly serves the socio-economic development of the Republic of Karakalpakstan. This is also indicated by the data of investment forecast indicators developed in our research work.

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