

## **Improving The Efficiency Of Management Of Investment Potential In The Development Of Food Industry Enterprises (In The Case Of Kashkadarya Region)**

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### **Abstract:**

In this article scientifically substantiated proposals have been developed to improve the efficiency of foreign investment by rationally attracting foreign investment in promising industries that determine the "points of growth" of the regions by using the method of hierarchical analysis.

**Keywords:** food industry, foreign investment, method of hierarchical analysis, points of growth, regional economy

The flow of foreign investments is important in the development of countries and regions of the world, because it leads to the strengthening of foreign economic and political relations of countries, increases their foreign trade turnover, accelerates economic development, increases the volume of production, the competitiveness of manufactured goods in the world market, the investment receiving countries. increases its technical potential and increases the level of employment. Studies conducted on foreign investments show that before 2008, there was fierce competition between multinational companies and investors to invest in countries, but now, competition between countries and regions to attract foreign investors has intensified. Also, in order to eliminate the stagnation in economic growth during the pandemic and subsequent periods, the emergence of a fierce competition between countries to attract foreign investments requires the development of new strategic directions for attracting foreign investments and their effective use.

Despite the fact that the Kashkadarya region is one of the leaders in the Republic of Uzbekistan in terms of attracting foreign investments, the share of the fuel and energy complex in the share of investments remains high.

Kashkadarya region is in the lower places in the Republic of Uzbekistan in terms of implementation of regional projects and attraction of direct foreign investments in these projects. Most importantly, despite the fact that Kashkadarya region is the leader among the regions of the Republic in terms of the volume of attracted foreign investments, since 2014, the region has become one of the regions with the lowest growth rate in the Republic, with a downward trend in the growth rate of GNP. According to the analysis, during 2010-2020, 3820.5 mln. Direct foreign investments in the amount of US dollars were absorbed, and 90 percent of the absorbed TTXI was contributed by large enterprises of the oil, gas, chemical industry of the Republic, while 10 percent or 383.0 million US dollars of TTXI were absorbed within the framework of regional projects. It is significant that 1818.35

million US dollars or 50.2 percent of the total foreign capital invested and 300.0 million US dollars of foreign capital (78 percent of foreign capital in regional projects) were absorbed during 2019-2020 [1]. In 2010-2020, 82.3% of the total foreign investment in Kashkadarya region was accounted for by Nishon (37.96%), Mubarak (17.02%), Dehkhanaabad (14.5%) districts and the city of Karshi (12.75%). If it comes, the share of total foreign investments in the regional index of 6 regions (Qamashi, Koson, Chirakchi, Shahrisabz, Yakkabog districts and Shahrisabz city) does not even reach 1 percent (the combined share of 6 regions is 0.6 percent).

Due to the slowness of the positive impact of foreign investments on the economic growth of Kashkadarya region and the sharp differentiation between the districts (cities) of Kashkadarya region regarding the absorption of foreign investments, it is an important task to direct investments to the areas that determine the economic "growth points" of the regions and determine the relevance of the topic. Based on the results of the analysis of socio-economic development of Kashkadarya region, current problems and important directions of economic development, it is required to develop a system of strategic priorities of investment policy for each region (city, district) of the region in order to ensure long-term development. It is an important task to increase the efficiency of using foreign investments, to develop attractive investment projects based on the potential of each region, and to place them in a targeted manner. Based on this, we believe that it is appropriate to determine the priority of investment attracting sectors by using the hierarchical analysis method of the multi-criteria decision-making model.

### **Literature review**

A number of economists have conducted research on foreign investment problems using the Analytical Hierarchy Method (ITU) alone or in combination. In particular, economists Levari and Van have developed a methodology with the help of ITU to evaluate the factors affecting the performance of foreign investment companies and to rank alternative investment options [2]. This methodology helps the firm's investment decision-making process by evaluating the risks and uncertainties associated with TTXI through various criteria and selecting the optimal options.

By F. Abid and S. Bakhlul, the investment attractiveness of 7 Middle Eastern and North African countries was evaluated using ITU [3]. Economists K. Li and X. Sherali analyzed the foreign investment potential of China's regions around the Tuman River with the help of ITU [4].

X. Deng, Yu. Wang and G. Yeo assessed the foreign investment performance of 4 free trade ports in China with the help of ITU [5]. Economists K. Korkhan and A. Shakhram, using the combined ITU, included 9 developed countries by the United States in three periods: before the crisis (2004-2006), crisis (2007-2009) and after the crisis (2010-2012). Factors affecting the size of TTXI have been studied [6]. T. Wang et al. evaluated a number of factors necessary for attracting foreign investment for sectors that define "growth points" for the country of Vietnam with the help of ITU [7]. Russian economist E. Lobkova determined the impact of socio-economic criteria on the sustainable development of regions based on ITU [8]. Also, in our previous studies, the factors influencing the attraction of foreign investments in Kashkadarya region were analyzed based on the evaluations of foreign experts using the hierarchical analysis method [9-10].

Research methodology Hierarchy analysis method provides an opportunity to design, compare and evaluate alternative options by means of quantitative indicators of rational systems in search of solutions to complex (multi-criteria) problems. The decision-making process for the researched problem is carried out in three stages. The first stage is the stage of creating a hierarchical structure. The structure includes the researched problem, criteria for choosing its solution, factors affecting the solution, all alternative options that can be a solution to the problem, and relationships that show the relationship between them. introduced schematically. The second step is the prioritization step, in

which the elements at each level of the hierarchy are ranked according to their importance, based on comparative analysis, and the coefficient of precedence is calculated for each element.

**Table 1. Priority table of selected criteria**

Degree of superiority of A over B	Description	Degree of superiority of B over A
1	A and B have equal chance	1
3	A has a slight advantage over B	1/3
5	A has a strong advantage over B	1/5
7	A has a strong enough advantage over B	1/7
9	A has an absolute advantage over B	1/9
2, 4, 6, 8	The superiority of A over B is among the above cases	

The third stage is the decision-making stage, in which the degree of superiority of alternative options that can be a solution to the problem is determined using the coefficients of precedence of the elements in the hierarchical steps and the dependence relations between the steps. Nine-point scales were introduced by T. Saati to compare the options in pairs based on various criteria and to arrange them [11]. The scale was based on integers from 1 to 9, and the two options A and B were compared (Table 1). Suppose  $S = \{C_j | j = 1, 2, \dots, n\}$  be the set of selected criteria. The results of the pairwise comparison of the criteria are carried out through the matrix A, and each element of  $a_{ij} (i, j = 1, 2, \dots, n)$  is calculated based on the following criteria measurements:

$$A = \begin{bmatrix} a_{11} & a_{12} & \dots & a_{1n} \\ a_{21} & a_{22} & \dots & a_{2n} \\ \vdots & \vdots & \ddots & \vdots \\ a_{n1} & a_{n2} & \dots & a_{nn} \end{bmatrix}, a_{ii} = 1, a_{ji} = \frac{1}{a_{ij}}, a_{ij} \neq 0$$

After that, mathematical operations are performed to find priority elements of each matrix.

$$A_w = \lambda_{\max} W$$

Experts use the concepts of "reliability index" (SI) or "reliability ratio" (CR) to assess the reliability, adequacy, and logical accuracy of the results of evaluation of criteria and alternatives. If  $CR \leq 0.1$ , it is recommended to use a comparison matrix. Otherwise ( $CR > 0.1$ ), the sequence of logical reasoning is broken and the experts made a mistake in filling the matrix, and the assessment work is carried out again.

$$CI = (\lambda_{\max} - n) / (n - 1)$$

$$CR = CI / RI$$

Analysis and results

It is necessary to increase the effectiveness of the use of foreign investments attracted to the economy of the regions, based on today's market demand and "growth points", to specialize the regions of Kashkadarya region in certain sectors and industries, to optimally place investment projects implemented at the expense of domestic and foreign investments in the regions. Based on this, using the hierarchical analysis method, the sequence of priorities in the industry, agriculture, service, and

tourism sectors was evaluated for each district (city) of Kashkadarya region, and the "growth point" of the sectors considered to be the most priority for attracting foreign investments was determined. (Table 2). When determining the level of priority for economic sectors, the specific characteristics of each district (city) were taken into account, sharp differentiation in the creation of products and services was not allowed, that is, the regions are related to each other by industry, the produced products and services fill the deficit in the market of neighboring districts .

**Table 2. The priority matrix of the areas that can attract foreign investments in the future for districts (cities) of the Kashkadarya region and "points of growth [12]**

C				T	
Guzar					production of components and spare parts for the oil and gas industry, soybean cultivation, poultry and animal husbandry
Dekhkanabad					construction materials, mountain horticulture, animal husbandry, pistachio and carpet cultivation, service
Kamashi					
Karshi district					textiles, greenhouses, horticulture and poultry
Koson					livestock, greenhouse, food industry, leather processing industry
Kitab					tourism, building materials, wine industry
Mirishkor					livestock, fishing, textile, leather processing industry
Muborak					production of components and spare parts for the oil and gas industry, animal husbandry
Nishon					livestock, fishing, textile, leather processing industry
Kasbi					
Chirakchi					livestock, horticulture, building materials, food industry
Shakhrisabz district					
Yakkabag					
Karshi (city)					
Shakhrisabz (city)					

Based on the analysis, in the matrix of priorities for attracting foreign investments, the industry sector in Guzor district was evaluated at 0.382, agriculture at 0.294, service at 0.234, and tourism at 0.09 points. It is known that the largest enterprises in the oil, gas and chemical industry of the Republic of

Uzbekistan, such as "Shortan Gas-Chemical Complex" LLC, "Shortanneftgaz" LLC, "Uzbekistan GTL" LLC, are located in Guzor district. is increasing.

Studies show that many spare parts and components for the stable operation of these enterprises are imported mainly from abroad. In our opinion, the "growth point" of the industry in Guzor district is the production of necessary spare parts and components based on the needs of these enterprises, and it is desirable to attract foreign investors to these tasks. As a result, tasks related to the development of medium and small industrial enterprises, creation of new jobs, reduction of poverty will be solved in the district. We believe that foreign investments in the field of agriculture should be directed to the development of soybean cultivation, poultry and animal husbandry in the district.

For Dehkhanaabad district, the highest priority for attracting foreign investments was given to industry and agriculture (priority 0.334 and 0.321, respectively). As a "growth point" of the industrial sector, it is appropriate to direct foreign investments to the construction materials production industry. Because, Dehkhanaabad district is rich in reserves of minerals and building materials such as dolomite, marble onyx, gravel, pebbles. There are no projects in the district for their processing or production of finished products. As a "growth point" of the agricultural sector, there is an opportunity to attract foreign investments in the fields of creating livestock clusters, mountain horticulture, pistachios, and carpet growing. The service sector (0.265) was chosen as the third priority for attracting foreign investment for Dehkhanaabad district.

The passage of highways and railways connecting other regions of the Republic of Uzbekistan with the Surkhandarya region and going to the Republic of Tajikistan and the Islamic Republic of Afghanistan from the territory of Dekhonabad district allows foreign investors to invest in the service sector (roadside business, motels, hotels, various types of paid services). Based on research, agriculture (0.372) and industry (0.341) sectors were selected as the most favorable sectors for foreign investment in Qamashi district. Horticulture as a "growth point" of agriculture for Qamashi district, establishment of greenhouse farms, production of construction materials as a "growth point" for industry were selected as acceptable directions for foreign investments. Qamashi district is distinguished by its wealth of mineral resources, such as marble onyx, gypsum, brick and tile raw materials for the production of building materials. Since little attention is paid to the production of finished products from mineral resources, it is an important task to develop investment projects in this direction and attract foreign investors. For Karshi district, the highest priority for attracting investors was given to industrial and agricultural sectors (0.443 and 0.335). It is appropriate to direct foreign investments to the textile sector as a "growth point" of the industry in Karshi district.

It is known that the Karshi district is one of the leading districts in the Republic of Uzbekistan for growing cotton raw materials, but the level of cotton processing (turning into finished products) is still low. Based on this, complete processing of more than 40,000 tons of cotton grown in Karshi district from raw materials to finished products (fabric production, fabric production, fabric dyeing, clothing preparation for various segments, etc.), high creation of added value chain is considered as an attractive project for foreign investors. Currently, in Karshi district, in cooperation with South Korean investors, practical work has been started on growing tomatoes, cucumbers, strawberries, and roses in greenhouses and exporting them to foreign countries. Based on this, it is appropriate to attract foreign investors to the projects on the development of greenhouses, horticulture and poultry farming as "growth points" of agriculture for Karshi district. The highest priority indicator for attracting foreign investments for the Koson district was given to the agricultural (livestock, greenhouse) and industrial (food industry, leather processing industry) sectors (0.418; 0.245).

According to our research, mineral hot water wells have existed in the territory of Maydayobu, Karabayr, Uyrot, Khojaguduq MFYs of Koson district for many years, and the possibilities of hot

water wells have not been used. Based on this, it is appropriate to organize greenhouses as a "growth point" of agriculture around the areas where these wells are located. It is considered necessary to develop projects on the food industry based on the processing of meat and dairy products produced in the district, leather industry based on the processing of leather as a "growth point" of the industry for the Koson region, and to attract foreign investors to these projects.

Tourism (0.372) and industry (priority - 0.31, production of building materials, wine industry) were chosen as the most priority directions for attracting investments in Kitab district. The district is located in a geographically favorable mountainous area, there are many regional resorts and sanatoriums, shrines such as Hazrat Bashir, Khoja Nematullah, Hazrat Sultan, Hisar and Kitab reserve, Kitab observatory, eco, agro, ethno, medical, gastronomic, in four seasons of the year, it is desirable to attract foreign investors in order to develop extreme tourism types and create recreation infrastructure. Due to the wealth of construction reserves of Kitab District, such as glazed, construction, natural facing stones, microcalcite raw materials for mineral paints, cement raw materials, limestone, the construction products production network was chosen as a "growth point" for the industrial sector, and this direction is considered one of the effective projects for foreign investors. Although an investment project for cement production is being implemented by the foreign company "Karshi Conch Cement" of the People's Republic of China in Kitab district, the scope of work on the processing of the remaining natural resources is not satisfactory, in particular, the raw materials are transported to other regions of the Republic or by local entrepreneurs. are physically and emotionally assimilated on the basis of obsolete technologies.

According to our research, Kitab District's favorable climate, high soil fertility, historical experience in viticulture and horticulture create the possibility of establishing the wine industry as a "growth point" of the industrial sector, and projects in this direction are also relevant for foreign investors. The highest priority for attracting investments for Mirishkor district was given to agricultural (livestock, fishing) and industrial (textile industry, leather processing industry) sectors (0.424;0.329). There is no doubt that the land area, feed base, natural conditions for the development of fisheries in Mirishkor district for the development of the livestock industry, and the existence of the Sechankol reservoir are among the projects that are beneficial for foreign investors. It is appropriate to attract foreign investment to projects in the development of textile and leather industry as a "growth point" of industry for Mirishkor district.

The industry sector (priority 0.499) was given the highest priority for attracting foreign investment for the Mubarak district, where the largest enterprises in the oil and gas industry in the Republic - the Mubarak Oil and Gas Production Department, the Mubarak Gas Processing Plant, and many other projects are located in the district. provides an opportunity to attract foreign investors. In particular, it is important to launch projects for the production of spare parts and components for large oil and gas industry enterprises in Mubarak district, such as the route proposed for Guzor district. Also, during the production and processing of oil and gas in the district, a large amount of sulfur raw materials is extracted. Due to the high demand in the world market for the product (in the form of granules) obtained as a result of the processing of sulfur raw materials, there is an opportunity to attract foreign investors in this direction.

The highest priority for attracting foreign investments was given to the agricultural (livestock, fishing) and industrial (textile industry, leather processing industry) sectors (0.458; 0.392) in the Mirishkor district as well. In our opinion, the geographical location of Nishon district is very convenient (with access to the seaport in Iran through the neighboring Republic of Turkmenistan), the railway junction, proximity to Karshi International Airport, convenient infrastructure (natural gas, drinking water and electricity), giant industrial enterprises of the region. Due to territorial proximity

to (Shortan gas-chemical complex, Shortanefgaz, Dehkhanaabad potash plant) and a number of other positive factors, the district has a special customs area, an international logistics center, a free trade zone near the border with the Republic of Turkmenistan, and a huge opportunity for all producers in the Kashkadarya region. opportunities can be created. Agriculture (fruit growing, animal husbandry) and industrial sectors (textile industry) (0.387; 0.376) were selected as the priority areas for attracting foreign investments for Kasbi district.

In order to attract foreign investments for Chiraqi district, priority was given to agriculture (livestock, fruit and vegetable) and industrial sectors (production of building materials, meat processing) (0.442; 0.292). According to our research, Chirakchi district is rich in silicon raw materials, sand for silicate products, brick and tile raw materials, as well as being one of the advanced meat growing districts in the Republic. exit, it is desirable to direct foreign investments in these directions.

Tourism and agriculture sectors (0.447;0.291) were selected as the most priority areas for attracting investments for Shahrisabz district. Shahrisabz district has a favorable location and climate, and many types of tourism can be organized at any time of the year in Miraki, Kol, Gilan, Hisorak regions of the district. There are opportunities to attract foreign investments in horticulture as a "growth point" of agriculture. According to our research, the greatest priority for attracting investments for Yakkabog District was given to agriculture (horticulture, viticulture) and industry (textile industry, building materials) (priority 0.374; 0.248). Industry and service sectors (0.421;0.365) were selected as the most priority sectors for attracting investments for the city of Karshi. For the city of Karshi, it is desirable to develop projects in the fields of pharmaceuticals, housing and construction of social facilities as "growth points" of industry, and to attract foreign investments.

According to researches, there are pharmaceutical projects with the participation of local or foreign investments in all regions of the Republic of Uzbekistan except Kashkadarya region. As a result of the pandemic, the importance of this direction has increased, and it is an attractive project for foreign investors, so it is appropriate to launch projects on the production of medicines in the city of Karshi. Although "One world Kashkadarya" joint venture for the production of anti-hepatitis drugs was established in Qarshi in 2019 in cooperation with the Arab Republic of Egypt, this project was stopped due to the laziness of the local side.

As the administrative center of Kashkadarya region, the expansion of the territory of the city of Karshi, together with the increase in the population, the sharp increase in the population's demand for housing and social sector objects, the use of outdated methods and technologies in the construction industry, the issue of attracting technologically foreign investments to this sector are on the agenda. is putting In our opinion, with the support of foreign investors from Turkey and China, who have advanced experience in the field of construction, the implementation of the housing complex project in the city of Karshi will make the city of Karshi more aesthetically beautiful, provide the population with affordable, quality housing, and create many new jobs. creation can be achieved.

The tourism sector (priority 0.492) was chosen as the most priority area for foreign investors in Shahrisabz city. 20.0 from the Recovery and Development Fund for the development of roadside infrastructure in the Kashkadarya region, the organization of the Shahrisabz free tourist zone and the implementation of these tasks, according to the minutes of the meeting held on the visit of the President of the Republic of Uzbekistan Sh. Mirziyoyev on November 12-13, 2020 Tasks for allocating funds in the amount of million US dollars have been set.

As a result of effective reforms in the field of tourism, the flow of foreign tourists to the Republic of Uzbekistan, as well as to the city of Shahrisabz, is increasing. Although the global tourism market has stagnated due to the pandemic, it is expected that the global tourism market will return to its previous position in a short period of time after the end of the pandemic. Based on this, in order to

further increase the tourism attractiveness of the city of Shahrisabz, it is urgent to create a competitive tourism infrastructure (hotels, hostels, restaurants, shopping centers, entertainment, recreation centers, etc.), and to attract foreign investors to this process. Also, in our opinion, it is appropriate to modernize the Shahrisabz airport, which is currently at the disposal of the Ministry of Defense of the Republic of Uzbekistan, and introduce domestic and international flights, in order to provide comfort to local and foreign tourists visiting Kitab, Shahrisabz districts and Shahrisabz cities. The industry sector (priority 0.312) was selected as the second priority for attracting investments for the city of Shahrisabz, and the electronics sector was identified as the "growth point" of the industry.

### **Conclusion**

According to the results of the analysis based on the hierarchical analysis method, the "growth points" of the industrial sector are production of oil and gas industry components and spare parts in Mubarak, Guzor districts of Kashkadarya region, textile, Dehkanabad, Qamashi, Kitab, Chirakchi, Yakkabog districts in Karshi, Nishon, Yakkabog districts. districts and in the city of Karshi, it is necessary to attract foreign investments in the fields of construction materials, food in the districts of Koson and Chirakchi, leather processing in the districts of Koson and Mirishkor, winemaking in the district of Kitab, pharmaceuticals in the city of Karshi, and electronics in the city of Shahrisabz.

As "growth points" of agriculture, cattle breeding in Guzor, Dehkanabad, Koson, Mubarak, Mirishkor, Nishon, Kasbi, Chiraqi districts, horticulture in Dehkanabad, Qamashi, Karshi, Kasbi, Shahrisabz, Chiraqi, Yakkabog districts, greenhouse farming in Qamashi, Karshi, Koson districts. , it is desirable to attract foreign investments in poultry farming in Guzor, Karshi districts, fishing in Nishon, Mirishkor districts, as well as soy in Guzor district, pistachio and cowpea cultivation in Dehkanabad district. In addition, attracting foreign investments to the tourism sector in Kitab, Shahrisabz districts and Shahrisabz city, and to the service sector in Dehkanabad district is a priority. In short, directing foreign investments to the priority areas and industries that determine the "growth points", together with ensuring the stable economic development of the regions, will end the sharp stratification that has arisen in terms of foreign investments and thereby serve to increase the efficiency of the use of foreign investments.

To sum up, Uzbekistan experienced an impressive surge in fruit and vegetable exports, which was around 251,200 tonnes in just two months. This uptick, valued at approximately \$150 million, represents a substantial increase compared to the corresponding period of the previous year. Specifically, the data from the Statistics Agency display a remarkable 1.9-fold rise, equivalent to 115,500 tonnes, in fruit and vegetable exports during January and February of 2024, showcasing the country's increasing footprint in the global agricultural export market.

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