
FINANCING INVESTMENT PROJECTS OF ECONOMIC SUBJECTS

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Investment projects serve as the foundation of economic development, technological development and social welfare. They involve the allocation of financial resources to a particular enterprise with the expectation of obtaining positive returns and achieving strategic goals. Investment projects can be divided into several categories based on various criteria, such as the nature, scale and sector of investment. Some common types include: Public investment projects are important for the growth and development of economies around the world. They are usually financed by governments or public sector entities in order to improve public infrastructure, provide public services or stimulate economic development. These projects cover a wide range of sectors, including transport, health, education and utilities. According to the World Bank, public investment projects have been an important tool for governments around the world, especially in developing economies. For example, in 2021, public investment in infrastructure for developing countries averaged about 4% of GDP. This figure shows that governments are investing heavily in public investment projects to stimulate economic growth and improve the quality of life.

Private investment projects play an important role in the world economy, contribute to economic growth, creation of new jobs and technological innovations. These projects are usually implemented by private sector entities such as corporations, private investment firms, or sole proprietors, often with the primary goal of obtaining a financial return on investment. In the United States of America, in 2019, private investments in non-residential buildings, including commercial and industrial buildings, accounted for about 3% of GDP, which shows the important role of private investment projects in the country's economic activity. Technology startups are another prime example of private investment projects. According to Crunchbase, global venture capital investment in tech startups reached a record \$300 billion in 2020, reflecting the huge potential for growth and innovation in the tech sector. Such data demonstrate the wide-ranging impact of private investment projects on global economic development and technological innovation.

Public-Private Partnership (PPP) investment projects represent a combination of public and private sector resources that combine the strengths of both sectors to implement critical infrastructure and services projects. In these arrangements, the private sector typically provides capital for the design, construction, operation, and maintenance of the facility, while the public sector determines and monitors compliance with the project's objectives, thereby protecting the public interest. According to the World Bank's Private Sector Participation in

Infrastructure, in 2022, investment commitments to PPPs in low- and middle-income countries reached USD 91.7 billion across 263 projects. This shows the widespread use of PPPs in developing countries as a means of mobilizing private capital for the benefit of the state. In general, PPPs play an important role in addressing infrastructure gaps, improving service delivery, and stimulating economic growth by leveraging the resources and capabilities of the public and private sectors.

Foreign direct investment projects are an important component of the global economic landscape, facilitating the transfer of capital and technology across countries. These projects involve a company or individual in one country investing in building a factory in another country or acquiring a controlling interest in a business. According to the United Nations Commission on Trade and Development (UNCTAD), in 2022 the flow of global foreign direct investment amounted to \$1.6 trillion. These investments cover a wide range of sectors, from manufacturing and services to information technology and renewable energy, and contribute to innovation and economic growth and job creation in host countries. For example, according to the Commission for the Development of Industry and Domestic Trade (DPIIT), in 2019, the volume of direct investment in India reached a record level of 74 billion US dollars, which is 20% more than the previous year. The sectors attracting the most foreign direct investment include services, computer software and hardware, and telecommunications, highlighting the role of direct investment in supporting a country's technological development and digital transformation. In general, direct investment projects play an important role in the formation of the world economy, in the development of cross-border cooperation and in the socio-economic development of the host countries.

Financial factors are crucial in determining the profitability and long-term viability of investment projects. These factors include: 1) project financing: ensuring adequate financing is essential for the successful implementation of investment projects. The availability of financing depends on factors such as creditworthiness, market conditions and the project's risk profile. The financing structure, which may include debt financing, equity financing, or a combination of the two, can also affect project profitability and risk; 2) financial risk management: effective financial risk management is essential for the success and sustainability of investment projects. Financial risks can arise from factors such as changes in exchange rates, changes in interest rates, and credit risks. Identifying, assessing and mitigating financial risks will help protect the profitability and long-term viability of the project. For example, the construction of the \$4 billion Dakar-Diamniadio toll highway in Senegal faced financial risks due to currency fluctuations, which were addressed through currency hedging and risk-sharing agreements with international development partners.

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Financing of investment projects of economic entities means attracting advanced technologies to the republic, technical and technological rearmament of enterprises, provision of advanced and progressive technologies, qualitative improvement of the production program, state, regional, economic network i and by increasing the export capabilities of the enterprise, it is envisaged to guarantee the financial support of large investment projects and state programs that will lead to their entering the world markets and gaining a decent and solid position.

Business entities should improve traditional and non-traditional, existing and new, promising methods and tools of financing investment projects, ensure the development of the state, society and business, increase the well-being of the population, increase the possibilities of offering services through the appropriate source of financing, and investors and provides lenders with additional funding opportunities. In particular, the development of alternative sources of financing can be important in diversifying the sources of financing of the industry.