

ADVANCING INVESTMENT POTENTIAL IN INDUSTRIAL ENTERPRISES: PRIORITIES AND STRATEGIC DIRECTIONS

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Abstract

In the era of economic globalization and limited financial resources, enhancing investment potential and ensuring the efficient allocation of investments represent pressing challenges for most countries. In this context, the development of domestic investment potential has become one of the most urgent priorities.

Significant attention is devoted to scientific research aimed at strengthening investment capacity, improving the efficiency of existing opportunities, refining investment mechanisms, and generating market demand on this basis. Priority research and development activities are carried out in such areas as attracting foreign direct investment into industrial sectors, strengthening domestic investment potential, and expanding opportunities for more effective utilization of investments.

At the current stage of Uzbekistan's development, comprehensive reforms are being implemented to foster industrial growth based on modern technological and technical trends, create a favorable investment environment, and enhance its attractiveness. As noted in the official address: *"It is necessary to accelerate the transformation of industry by drawing on advanced global experience in order to establish a solid foundation for the long-term sustainable development of all industrial sectors."* Against this backdrop, research on optimal methods of increasing investment potential and exploring interdependencies between investment flows has particular importance.

In his address to the Oliy Majlis, President Shavkat Mirziyoyev emphasized: *"For the long-term sustainable development of the entire industry, it is crucial to accelerate the process of transformation based on advanced international experience, thereby creating strong competitiveness."* Consequently, the most relevant research directions include: the optimal determination of industrial investment growth, the interconnection of investment capacities, the protection of domestic markets, and the

development of strategies to enhance export-oriented investment potential, including the utilization of underexploited resources.

The expansion of investment capacity is directly tied to the availability of resources, that is, sources of investment. The existence of investment potential is itself a prerequisite for investment activity. Creating a favorable investment climate, defining clear priorities, and formulating effective investment policies should ultimately lead enterprises to make sound investment decisions.

Sustained economic growth accompanied by rising investment volumes is a clear indicator of the effectiveness of national investment policies, the creation of a favorable business climate, and the activation of investment potential.

Scholarly research identifies two major approaches to assessing investment potential: (1) a local approach, based on widely applied methods of investment project evaluation, and (2) a comprehensive approach, based on an integrated system of indicators that reflect the dynamics of investment management and development. Such a system incorporates input and output variables, including investment volumes, project parameters, production efficiency, financial performance, and sustainability indicators. Within this framework, financial indicators occupy a central role. Strengthening the investment potential of enterprises requires a systemic approach that accounts for industry-specific factors, availability of production resources, and consumer demand for industrial products.

The oil and gas sector is of strategic importance for Uzbekistan's economic development. Recent economic growth and the expansion of industrial capacity have intensified demand for energy resources, making this sector a priority area of development.

The industry encompasses all types of operations—from exploration, drilling, and extraction of hydrocarbons to refining, production of petroleum products, petrochemicals, chemical equipment, and the delivery of fuel products to end-users. Approximately 30 enterprises operate in the sector, producing gasoline, diesel fuel, aviation kerosene, lubricants, fuel oil, bitumen, polyethylene products, natural and liquefied gas, as well as petrochemical and chemical equipment.

Investment policy in the oil and gas sector is primarily directed toward attracting foreign capital and advanced technologies in order to diversify the industry and promote deeper processing of hydrocarbon resources.

Key achievements in recent years include an increase in natural gas supplies to households by 2.2 billion m³ (from 9.4 billion m³ in 2017 to 11.6 billion m³ in 2022), along with substantial growth in supplies to industrial sectors (from 26.1 billion m³ to 31.0 billion m³). Transmission capacity of the national gas pipeline network has been significantly expanded, with 608.6 km of new main pipelines constructed over the past five years. However, natural gas exports declined by more than 64% as resources were redirected to meet growing domestic demand. At the same time, imports of crude oil rose by \$130 million and natural gas by \$281 million.

In 2022, the total investment program reached \$3.6 billion, including \$2.4 billion in foreign direct investment. A total of 1,084 new jobs were created in the fuel and energy complex (352 in oil and gas, and 732 in power generation). The industry's share of GDP increased slightly over six years, from 2.9% to 3.0%.

As stated in official documents: *"In the oil and gas sector, with the involvement of foreign experts, it is necessary to improve the efficiency of state-owned enterprises' management, optimize expenditures, and reduce existing debt obligations."*

The investment potential of industrial enterprises also reflects the resource base of the investment process, which functions as a multidimensional system. Under conditions of heightened internal and external constraints, the effective utilization of available reserves and resources becomes especially relevant. Therefore, two tasks are of particular importance: first, the advancement of scientific and methodological approaches to evaluating the economic efficiency of investments in line with industry-wide strategies, and second, the development of robust assessment tools at both the macro and micro levels. Furthermore, it is important not only to assess the current and final outcomes of investments in chemical and industrial enterprises but also to project their long-term parameters.

In conclusion, it should be emphasized that, at the current stage of economic reforms, one of the key drivers of Uzbekistan's national economy is the effective development of industrial enterprises, including the oil and gas sector, alongside



active attraction of investment. The elaboration and implementation of a well-designed strategy for the oil and gas industry ensures competitive advantages, enhances investment attractiveness, and provides a solid foundation for the further sustainable growth of the national economy.