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ECONOMIC CONTENT AND EFFICIENCY CRITERIA OF INVESTMENTS AND THEIR UTILIZATION IN TEXTILE ENTERPRISES

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Abstract. This article examines the economic content of investments in textile enterprises, the specific features of directing investment resources into production, and the criteria for evaluating investment utilization efficiency. It substantiates the need to assess investment performance not only through the initial profitability of a project but also through the results achieved at the selection, implementation, and operation stages. The study highlights the specific characteristics of the textile industry, including its multi-stage production chain, vertical integration through clusters, fluctuations in raw material prices, dependence on imported equipment, and export orientation.

Keywords: textile industry, investment, investment efficiency, investment utilization efficiency, fixed assets, fixed asset turnover, production capacity, investment life cycle, added value, cluster.

INTRODUCTION

Today, the sustainable development of industrial enterprises, the expansion of production capacities, and the enhancement of their competitiveness in international markets are directly linked to the efficient use of investment resources. In the textile industry in particular, investments serve as an important economic instrument not only for establishing new production facilities but also for modernizing existing capacities, ensuring deeper processing of raw materials, manufacturing finished products, and expanding export opportunities

The textile industry is one of the sectors of the economy characterized by a multi-stage production chain, in which the processes of raw material cultivation, fiber processing, yarn production, fabric manufacturing, knitting, and the production of finished garments and textile products are closely interconnected. Therefore, the efficiency of investment funds in this sector is determined not only by the amount of capital invested or the initial financial indicators of a project. Equally important is the extent to which the production capacities created through investment are utilized and their impact on production output, revenue, value added, and exports.

In Uzbekistan, particular attention is being paid to attracting investment in the textile industry and enhancing the production potential of the sector. According to the research conducted by Kamilov D.T., in 2024, 16.3 percent of total investment in the country's industrial sector was directed towards the textile industry. However, a high volume of investment does not always indicate a high level of efficiency in its utilization. The approximately 17 percent decline in the sector's exports during 2023–2025, together with the fact that the share of yarn in the export structure remained at around 41–46 percent for an extended period, demonstrates the need for an in-depth analysis of investment performance.Under these circumstances, identifying the economic essence of investments in textile enterprises, determining the criteria for assessing the efficiency of their utilization, and developing an evaluation system covering all stages of the investment life cycle constitute an important and pressing scientific and practical issue.

LITERATURE REVIEW

The economic essence of investments and issues related to the assessment of their efficiency have been studied in economic literature based on various theoretical and methodological approaches.

The Law of the Republic of Uzbekistan “On Investments and Investment Activities”, dated December 25, 2019, establishes the legal framework for investment activities, the procedures for making investments, and the rights of investors. This legislative document represents the institutional foundation for organizing investment relations. A.S. Azizov (2021) investigated issues related to reducing financial, economic, and country-specific risks in attracting foreign direct investment. The author's approach demonstrates the importance of taking risk factors into account when making investment decisions.

D.Sh. Bababekova and B.O. Tursunov (2019) studied the directions for developing a competitive economy through active investment and social development. Their research highlights the role of investments in ensuring economic growth and enhancing competitiveness.

R.H. Bozorov (2018) investigated the investment climate and its determining factors, as well as the importance of international economic indices in attracting foreign investment.

Research conducted by Mihaela Peres, Waqar Ameer, and Helian Xu (2018) examined the impact of institutional quality on foreign direct investment flows. The research findings demonstrate that positive changes in the institutional environment expand opportunities for attracting foreign investment.

In his research devoted to improving the efficiency of investment utilization in textile enterprises, Kamilov D.T. substantiated the need to assess investment efficiency at different stages of the investment life cycle. The author distinguishes between the concepts of investment efficiency, investment project efficiency, and the efficiency of investment utilization.

The literature review indicates that scientific approaches have been developed to study investment attraction and assess the initial economic efficiency of investment projects. However, the comprehensive assessment of how investment funds are transformed into actual production outcomes in textile enterprises across

the selection, implementation, and operation stages requires a distinct methodological approach.

RESEARCH METHODOLOGY

The study employed the methods of systems analysis, comparative analysis, economic and logical generalization, statistical analysis, factor analysis, and economic modelling.

Through systems analysis, the financial, production, technological, and organizational components of investment activities were examined in their interrelationships. Comparative analysis was used to compare various investment assessment methods and the performance indicators of textile enterprises.

Factor analysis made it possible to identify the impact of the value of fixed assets created through investment and the efficiency of their utilization on changes in revenue. In addition, an approach based on applying assessment methods appropriate to the individual stages of the investment life cycle was adopted.

The efficiency of investment utilization in the study was examined across the following three main stages:

- ❖ Selection (allocative) stage – assessment of the economic feasibility of an investment project, market demand, raw material availability, and expected profitability.
- ❖ Implementation stage – monitoring the utilization of investment funds in accordance with the approved cost estimates and established deadlines.
- ❖ Operational stage – assessment of the utilization of the production capacities created and the actual economic results generated through investment.

ANALYSIS AND RESULTS

The Economic Essence of Investments in Textile Enterprises. Investments represent a set of economic resources directed towards developing economic activities, creating new production capacities, renewing existing fixed assets, and expanding an enterprise's long-term income-generating potential.

In textile enterprises, investments primarily serve to acquire production equipment and technologies, develop production facilities and infrastructure, expand raw material processing capacities, introduce automated systems, and increase opportunities for manufacturing finished products.

The economic essence of investments in this sector is manifested in the following aspects:

- ➢ Creation and expansion of production capacities;
- ➢ Modernization of fixed assets;
- ➢ Enhancement of the technological level of production processes;
- ➢ Expansion of deep raw material processing capabilities;
- ➢ Improvement of labor productivity;
- ➢ Reduction of production costs;
- ➢ Manufacturing of products with high added value;
- ➢ Strengthening export potential.

At the same time, attracting investment funds alone does not guarantee the economic efficiency of an enterprise. The production capacities created through

invested funds must be fully integrated into the production process and generate sustainable economic results.

From this perspective, the efficiency of investment utilization as an economic category can be defined as follows: the degree to which investment resources allocated to an enterprise are transformed into production capacities during the selection, implementation, and operational stages, and the extent to which these capacities generate sustainable additional economic returns.

This definition implies assessing not only the expenditure of investment funds but also the process through which they are transformed into actual production outcomes.

Specific Characteristics of Investment Activities in the Textile Industry.

Investment activities in the textile industry have a number of distinctive characteristics compared to other industrial sectors.

First, the sector has a multi-stage technological production chain. The processes range from cotton fiber processing to the manufacture of finished clothing products and are closely interconnected. Therefore, investments directed towards one stage may fail to produce the expected results if adequate production capacities are not available at other stages.

Second, vertically integrated cluster structures play an important role in the textile industry. Coordination between the stages of raw material cultivation, processing, and finished product manufacturing directly affects the effectiveness of investment utilization.

Third, fluctuations in raw material prices affect enterprises' production costs and financial performance.

Fourth, dependence on imported modern textile equipment requires exchange rate fluctuations, logistics costs, and technical maintenance capabilities to be taken into account when assessing investment efficiency.

Fifth, the export-oriented nature of the industry creates a need for continuous monitoring of demand, prices, product quality, and competitive conditions in international markets.

Therefore, when assessing investment efficiency in textile enterprises, it is necessary to take into account not only financial results but also the balance of the technological production chain, the utilization of production capacities, and the availability of working capital.

For this reason, the three stages of efficiency assessment should be organized in an interconnected manner.

Economic Indicators Reflecting the Efficiency of Investment Utilization. The following indicators are of particular importance when assessing investment efficiency in textile enterprises.

Fixed Asset Turnover. This indicator reflects the amount of output or revenue generated per monetary unit of fixed assets. A decline in fixed asset turnover may indicate a deterioration in the utilization of existing production capacities or that the volume of fixed assets has increased at a faster rate than revenue.

Production Capacity Utilization Ratio. This indicator represents the ratio of actual production output to available production capacity. A low value may indicate that the production capacities created through investment are not being fully utilized.

Electricity Intensity. This indicator measures the amount of electricity consumed per unit of economic output. It is used to assess the energy efficiency of production.

Ratio of Loans to Revenue. This indicator characterizes the volume of loans allocated relative to an enterprise's revenue. A high value indicates the need for a more in-depth assessment of the financial burden and the efficiency of debt resource utilization.

The study found that the fixed asset turnover ratio decreased by an average of 33.1 percent annually among the enterprises examined during the 2021–2025 period. This finding demonstrates the need to assess the imbalance between the volume of fixed assets created through investment and the efficiency of their utilization.

Thus, when assessing the efficiency of investment funds, particular attention should be paid not only to the growth in the volume of an enterprise's fixed assets but also to changes in the fixed asset turnover ratio.

CONCLUSIONS AND RECOMMENDATIONS

The research findings demonstrate that investments and the efficiency of their utilization in textile enterprises are interrelated but conceptually distinct economic categories. The assessment of an investment project as profitable at its initial stage does not fully guarantee that it will generate high returns during its implementation and operational phases.

The multi-stage technological production chain of the textile industry, its cluster-based vertical integration, fluctuations in raw material prices, dependence on imported equipment, and export-oriented nature necessitate a comprehensive assessment of investment efficiency.

In general, improving the efficiency of investment utilization in textile enterprises is not limited to attracting investment resources. It also requires the proper selection of investment projects, their implementation within established timeframes and budget limits, the efficient utilization of the production capacities created, and the regular assessment of post-investment economic results. Such a comprehensive approach contributes to strengthening the financial stability, production efficiency, and international competitiveness of textile enterprises.

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