ENHANCING THE METHODOLOGY FOR THE ANALYSING OF INVESTMENT PROJECTS

Gulnora Bekimbetova
PhD of the Department of "Corporate Economics and Business Analytics",
Tashkent State University of Economics
Islam Karimov avenue 49
100003 Tashkent, Uzbekistan
ORCID:0000-0002-0982-5741
Email: g.bekimbetova.ifm@tsue.uz

СОВЕРШЕНСТВОВАНИЕ МЕТОДОЛОГИИ АНАЛИЗА ИНВЕСТИЦИОННЫХ ПРОЕКТОВ

Гулнора Бекимбетова
PhD кафедры «Корпоративная экономика и бизнес аналитика»,
Ташкентский государственный экономический университет
Ислам Каримов, 49
100003 Ташкент, Узбекистан
ORCID:0000-0002-0982-5741
Email: g.bekimbetova.ifm@tsue.uz

JEL Classification: *E2, E22*

Abstract. *The subject of investment appraisal and risk analysis has become very topical in Uzbekistan recently because of the growth of investment potential and activity in the country. This paper presents the process of project analysis that consists of two main stages: qualitative and quantitative analysis of investment projects. The first part of the paper examines the main groups of investment project risks and the specific character of their identification in Uzbekistan. The second part presents the review of the most popular methods of quantitative risk analysis (sensitivity analysis, scenario analysis, simulation) and the peculiarities of their application in the environment of the Uzbek economy. This article tries to analyze the methodology for the analysis of investment projects. Since its independence, Uzbekistan has achieved sustained growth through its gradual transition to a market-based economy. This involved cautious economic policy reforms such as liberalizing prices of energy and fuel while maintaining a high level of state control. Consequently, Uzbekistan's economic growth decelerated, manufacturing exports declined, and employment growth was too low to adequately absorb the thousands of labor entrants every year. Given these development challenges, the new government introduced major reforms. The pace of reform is unprecedented, and the government has formulated its long-term economic strategy in its Vision 2030, which aims to double the country's gross domestic product by 2030 through a program of economic diversification. The article analysis key elements of the methodology to increase the methods of analysis of investment projects. The following article will discuss the possible ways of*

improvement in the sphere as it affects the overall economic and social system of the country.

Keywords: *investment projects; improvement methodology; financial analysis; fiscal report.*

Introduction. The application of generally recognized investment decision criteria has become very topical in the conditions of the market economy in Uzbekistan; however, it is important to keep in mind the peculiarities of the Uzbek economy and take them into account during project development and execution. The main features of the Uzbek economy that should be remembered are as follows:

- Uzbek financial market is relatively undeveloped;
- Crediting rates are set too high;
- The peculiarities of inflation in Uzbekistan.
- The inflation is rather high, irregular, heterogeneous, and poorly forecast;
- Several currencies are used in the Uzbek economy simultaneously;
- The complexity of tax structure in Uzbekistan;
- The difference between Uzbek accounting standards and International Financial Reporting Standards (IFRS);
- Lack of government financing of the investment projects;
- Fluctuations in paying capacity of the population and contracting parties;
- Legislation instability.

All the above-listed features of the Uzbek economy have a significant influence on the methodology of investment analysis as a whole and project risk analysis in particular. The purpose of this article is to describe basic approaches to project risk analysis of the project investment in Uzbekistan [1].

According to the regulatory document of the Decree of the President of the Republic of Uzbekistan "On the development strategy of the new Uzbekistan for 2022-2026", it is noted that it is necessary to jointly discuss systemic problems and develop specific proposals for their solution with entrepreneurs, scientists, expert community and members of the public[19]. In addition, it should be noted that risk can be defined as a source of uncertainty that affects the result of an investment project [2]. This is why risk analysis is an integral part of investment appraisal. The purpose of project risk analysis is to provide the investors with all the necessary information for decision-making concerning the advisability of their participation in one or another investment project. Risk analysis usually begins with qualitative risk analysis which consists of project risk identification, risk description, risk classification, and analysis of initial assumptions. The outcome of the qualitative risk analysis is the description of project uncertainties, their sources, and consequently the description of project risks.

This paper is the first attempt to analyze the development of cost estimates in the early stages of quality assured projects. Very few of the projects have yet reached completion, which explains why studies of actual costs do not constitute a part of the present research. The objective is to develop an understanding of the current Quality-at entry Regime and to point out its relevance and impact on the cost estimation process and how it could contribute to more realistic budgets. The paper is thus concerned with impacts of quality assurance concerning the efficiency issue, i.e., focus on the cost criterion. In a broader perspective, however, it also concerns the more substantial issues of project viability and long-term effects since the result of inaccurate estimates could