

## INFLUENCE OF FOREIGN INVESTMENTS AND CREDITS ON THE TRANSMISSION MECHANISM CHANNEL CURRENCY

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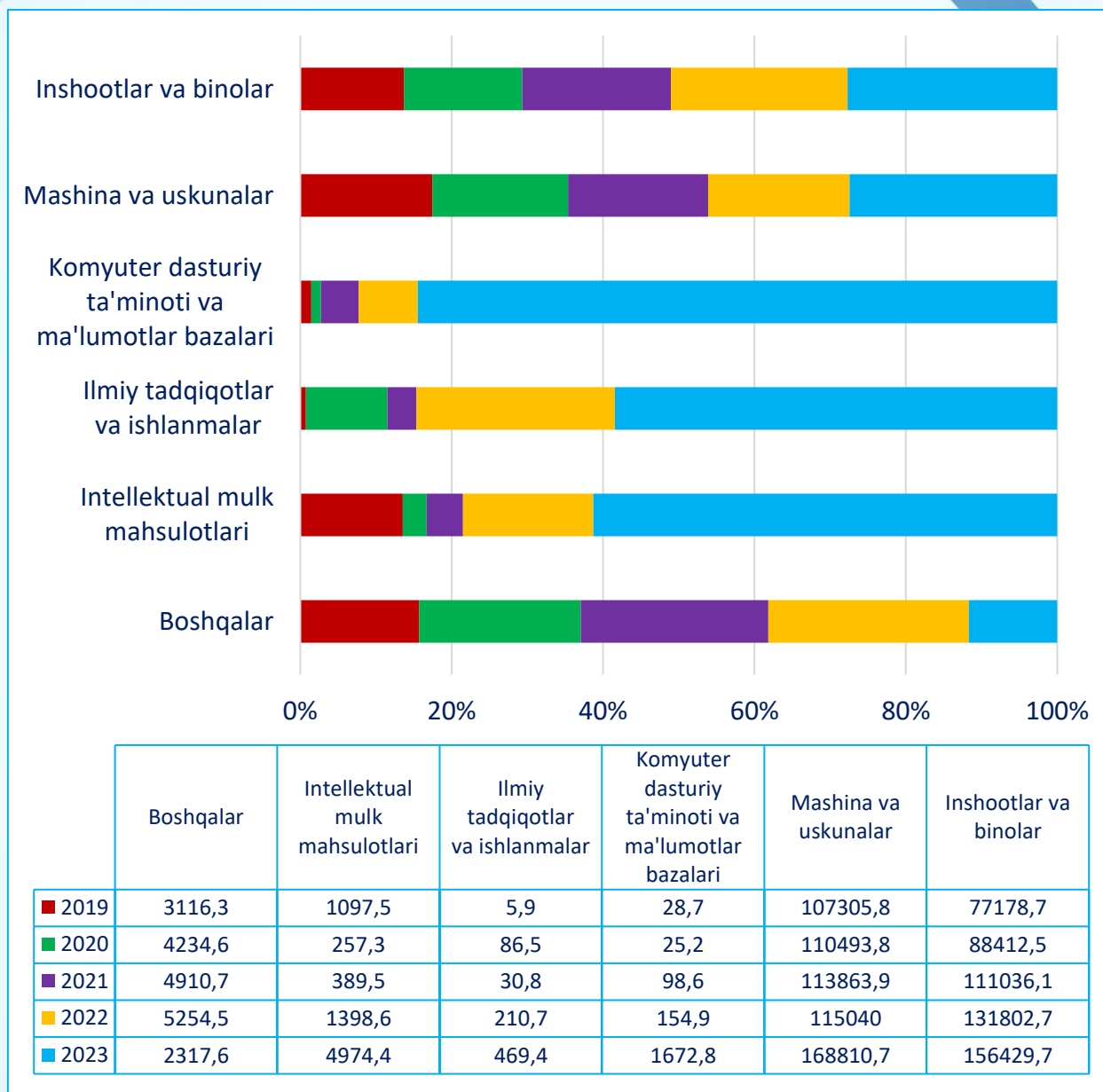
Economic entities should always be renewed in order to expand their activities and improve the quality of reproduction. This upgrade includes the purchase of fixed assets, the acquisition of high-quality technologies from local or foreign markets, and the creation or acquisition of new programs. Monetary policy transmission mechanism currency channel has the power to influence these decisions of economic entities. As a result of this effect, real macroeconomic indicators can be changed.

When studying the efficiency of the currency channel of the monetary policy transmission mechanism in our analysis, it is important to study how much of the investments in the fixed capital of economic entities are made up of foreign investments and loans. That is, it affects the exchange rate in the currency channel of the transmission mechanism and changes the amount of foreign investments and loans in the structure of the main capital. Through this, we can conclude about the influence of the transmission mechanism of the currency channel on macroeconomic indicators.

At the initial stage of our analysis, we aimed to analyze the types of capital funds of investments made by enterprises in our country. This tells us which of the major funds companies have been giving priority to in recent years.

From the results of the analysis, we can see that in 2019, investments in fixed capital amounted to 296.0 trillion soums, and by 2023, this indicator amounted to 497.2 trillion soums. Among the main types of funds, machinery and equipment, i.e. transport equipment, information, computer and telecommunication (ICT) equipment and other machinery and equipment occupy a large place. According to

statistics, 107.3 trillion soums were invested in machinery and equipment as part of the main funds in 2019, and 168.8 trillion soums were invested in 2023.



**- fig. Composition of investments in fixed capital by types of main funds<sup>1</sup>**

Residential and non-residential infoots and buildings occupy the next place as the main foundation in the desire of enterprises. In 2019, enterprises invested 77.2 trillion soums, and in 2023, 156.4 trillion soums were invested.

Investments by enterprises in education, innovation, intellectual property products and computer software, which are the means of development of the

<sup>1</sup>Author's development based on official data of the Statistics Committee of the Republic of Uzbekistan.

country's economy, are becoming more and more important in recent times. It should be noted that the structure of the main fund above is the factors that contribute to the long-term development of the economy and reduce the dependence of the economy on the economy of other countries. According to statistics, in 2019, investment in computer software amounted to 28.7 billion soums, intellectual property products amounted to 1097.5 billion soums, and scientific research and development only 5.6 billion soums. an investment of soums has been made. In 2023, this situation improved a little and investment in computer software amounted to 1,672.8 billion soums, intellectual property products amounted to 4,974.4 billion soums, and scientific research and development - only 469.4 billion soums. ml investment.

By analyzing the share of local and foreign resources in the structure of investments in fixed capital analyzed above, we can see the effectiveness of the transmission mechanism currency channel.

In recent years, the volume of investments in fixed capital and foreign loans and investments in Uzbekistan is constantly increasing. In particular, in 2010, the total volume of investments made in the fixed capital was 16.5 trillion soums, while the volume of foreign loans and investments was 4.3 trillion soums, and its share was 26.4 percent. In 2016, the volume of foreign loans and investments included in the fixed capital increased, but their share in total investments decreased significantly. In particular, in 2016, the total volume of investments in fixed capital amounted to 51.2 trillion soums, while the volume of foreign loans and investments made up 10.6 trillion soums, and its share in total investments was 20.7%. fell

Since 2017, the improvement of international economic relations has had a significant impact on the composition of investments made by enterprises in the main capital. In particular, in 2017, the total volume of investments in fixed capital amounted to 72.2 trillion soums, while the volume of foreign loans and investments amounted to 17.2 trillion soums, the share of which was 23.8 percent. In 2023, the total volume of investments in fixed capital amounted to 356.1 trillion soms. In its composition, the volume of foreign loans and investments amounted to 201.9 trillion soms, and its share in total investments increased significantly by 56.7%.



**- fig. The volume of investments in fixed capital and the share of foreign investments and loans in it<sup>2</sup>**

In terms of the share of foreign investments and loans in the structure of investments in fixed capital, if we conclude on the efficiency of the transmission mechanism currency channel, then this efficiency was low until 2016. However, since 2017, the positive shift in the international economic relations of our country has also had a positive effect on the effectiveness of the currency channel. In particular, in the last 5-6 years, the share of foreign loans and investments in fixed capital investments is around 45-55 percent, which creates a good basis for effective use of the transmission mechanism currency channel.

<sup>2</sup>Author's development based on official data of the Statistics Committee of the Republic of Uzbekistan.