

ROLE OF INVESTMENT IN IMPROVING ECONOMIC RESULTS

Abstract: *This article discusses the importance of investment in developing economic indicators. Investments play a crucial role in maintaining and increasing the economic potential of the country. Investments have a positive effect on the activities of enterprises, lead to an increase in the gross national product and increase the country's activity in foreign markets.*

Key words: *Economy, investments, gross domestic product, foreign trade, economic indicators*

РОЛЬ ИНВЕСТИЦИЙ В ПОВЫШЕНИИ ЭКОНОМИЧЕСКИХ РЕЗУЛЬТАТОВ

Аннотация: *В данной статье обсуждается важность инвестиций в разработке экономических показателей. Инвестиции играют решающую роль в поддержании и увеличении экономического потенциала страны. Инвестиции положительно влияют на деятельность предприятий, приводят к росту валового национального продукта и повышают активность страны на внешних рынках.*

Ключевые слова: *Экономика, инвестиции, валовой внутренний продукт, внешняя торговля, экономические показатели*

An investment is a financial investment with the aim of generating income in the future. Investment activity is part of the economy. A distinctive feature of investments is non-return. That is, if the investment project collapses, the investor will be left with nothing. Investments can be: Cash. Entrepreneurship objects. Liabilities with a monetary value. Investments can be made to obtain a

positive commercial effect. All financial resources, from the point of view of monetary theory, can go to savings or consumption. Ordinary consumption leads to the withdrawal of money from circulation, which destabilizes commodity-money relations. Investment in the economy, on the other hand, stimulates the flow of funds from savings. Investments can be made directly or indirectly.

The essence of investment activity is to preserve the value of money. Under the influence of natural market processes, money and financial instruments gradually lose their value, so they are invested in entrepreneurial activities or projects. Investments can be financial and real. Financial represent indirect investments made through investments in stock instruments, taking out loans and leasing relationships. Real investments are aimed at the direct purchase of real capital - equipment, structures, land, or at their modernization, reconstruction, construction. Investments can be speculative, in which case the income from them is formed by fluctuations in the price of the underlying asset. Investing is often confused with speculation. Investments are long-term in nature, usually for more than 1 year. Shorter investments are considered speculation. However, transactions conducted on stock exchanges are not speculation. There are situations when the transaction is long-term, but it has features of speculative relations, since the parties benefit from price changes in a certain period.

Macroeconomics assumes that the joint efforts of state economic policy, the work of the real sector and the behavior of households will lead to economic growth and development. Economic growth is understood as the effectiveness of the results of managing the national economy. It is measured in aggregate terms such as gross income, national income, net income, and so on. Growth is achieved by strengthening production capacity, using innovative technologies to reduce costs and create competitive products. Thanks to economic growth, capital accumulates in the economy, which can be directed to solving the socio-economic needs of society. The cash and financial assets reserve is used for

qualitative transformations in the economy. This applies not only to the use of the latest achievements of science and technology in production, but also to improving the quality of education, medicine, culture, science, and strengthening human potential.

Economic development is expressed in changes in social relations. There is an improvement in the quality of life of the population, its level rises, self-respect is achieved and personal freedom is observed. Measuring economic development is difficult. For a long time, the indicator of gross domestic product per capita was used for this. However, it describes a quantitative rather than a qualitative result. It is believed that developed countries have the highest level of human potential. There is a lower level of corruption, production is highly efficient and attractive for investment activities. Developing countries are on the path of economic growth. They show higher GDP growth rates, but in terms of the quality of human capital they are significantly inferior to developed countries. Countries with economies in transition are on the way to the formation of production, therefore, the measurement of economic development is carried out in relation to meeting basic human needs. The role of investments in economic development In macroeconomics, investments perform the following functions: Ensuring expanded reproduction of fixed assets Replenishment of working capital. Redistribution of capital between sectors of the economy. Transfer of capital between its owners. With the help of investments, first of all, transformations are carried out at the level of the real sector. A policy of expanded reproduction is being pursued, scientific and technological progress is accelerating, and the introduction of its achievements into the daily work of enterprises. Further, there is a structural restructuring of the production pattern, for this new resource bases are created, real estate is being built.

Expansion of production contributes to the growth of employment, which means the welfare of the population. This situation has a positive effect on

budget revenues. With a competent economic policy of the state, the funds received are sent to the education system, providing quality medicine. It also becomes possible to protect and preserve nature. The positive dynamics of the volume of investments leads to the strengthening of the position of the national economy in the international arena. With the help of financial investments, the country's economy is stabilized, its competitiveness is growing, the ratio of exports and imports is changing. The higher the total income of the country, the more funds are invested in the development of human capital. Most entrepreneurs now know that it is human capital that is the basis of competitive advantage in the long term. Therefore, the basis of economic development is investment in economic growth with the subsequent targeted use of excess capital in the scientific, cultural life of society.

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