



Current State of Investment Activity of Oil and Gas Companies of Uzbekistan and its Specific Tendencies

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ABSTRACT

In the article is considered the issues related to the assessment of the current state of investment activities of oil and gas companies in the Republic, the identification of specific tendencies in the sphere, and provided relevant conclusions.

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Introduction

In world practice, a number of scientific studies are being conducted aimed at issues such as improving the mechanism of investment activity of oil and gas enterprises, effective organization of financial support of enterprises, rational use of investments. In these studies, the theoretical and organizational foundations of investment activity, their formation, the organization of investment activity in oil and gas enterprises, its scientific-theoretical, methodological aspects and the impact on enterprise activity were studied. At the same time, current issues such as improvement of the mechanism of investment activity in oil and gas enterprises, in particular, the implementation of structural changes, digitalization, and the direct impact of factors such as management of activities with the help of artificial intelligence on increasing the efficiency of investments, have not found their scientific solution.

The adoption of Decree No. PF-5495 of the President of the Republic of Uzbekistan dated August 1, 2018 "On measures to fundamentally improve the investment environment in the Republic of Uzbekistan" is aimed at creating the most favorable conditions for investment, further improving the project of unified legislation in the field of investment activities, and bringing it into life as soon as possible. reflected the need for implementation.

In the conditions of limited financial resources in Uzbekistan, achieving the continuity of investment supply, ensuring the effective use of funds, and then attracting new resources are important for oil and gas enterprises to maintain and expand their position in the market.

Analysis of the relevant literature

The role of the investment activity mechanism in the investment processes is interpreted in a relatively broad way in a number of studies aimed at forming the theoretical and organizational foundations of the investment activity mechanism. In particular, in this regard, M.V. Gracheva[2] "main stages of risk management in investment projects, certain approaches to project risk classification, qualitatively describing project risk management instruments, economic-mathematical models of risk management in investment projects, in particular, sensitivity analysis, investment activity through simulation models improvement of the organizational mechanisms of increasing efficiency" processes have been researched.

R.S.Golov, K.V.Baldin, I.I.Perederyaevs[3] "the functioning of the organizational mechanism of investment activity is to deepen the structural reforms in the economy, to further revive the investment activity of enterprises, to widen foreign investments, first of all, foreign direct investments. It is researched within a number of directions such as attracting and using them effectively, modernizing production, creating new jobs through technical and technological rearmament.

S. E. Elmirzaev[4] conducted effective research on "theoretical and practical issues of investment management, as well as ways to effectively organize tax relations in the management of investment activities."

Also, the team of authors led by E.I. Nosirov[5] researched "theoretical foundations of risk management in the process of organizing investment activity and its implementation." The types and forms of investment risks are expressed and the experience of international financial institutions in risk management is shown. Effective methods, tools and possibilities of investment risk management in Uzbekistan have been revealed.

Research methodology

Methods of logical observation, critical study of the literature, analysis and synthesis, induction and deduction, comparison, classification based on certain characteristics, SWOT analysis, modeling, system analysis, and economic analysis were used in the processing of the data obtained during the research.

Analysis and results

In oil and gas enterprises, the property of investments in the form of all forms of property and intellectual values directed to the enterprise's activities in order to obtain material or social benefits (income, efficiency) is widely used. More broadly, investment means directing capital to some work (project) with the aim of increasing it later. At the same time, the amount of capital growth as a result of investment should be at the level of covering the funds spent on consumption and organizational activities by the investor, incentive for risk and compensation for future inflationary losses.

In our opinion, the organization of investment activities of oil and gas enterprises requires, first of all, the stable operation of the financial mechanism.

At this point, it is also important to study the concept of financial mechanism of investment activity, which combines financial mechanism and investment activity in oil and gas enterprises.

The financial mechanism of investment activities of oil and gas enterprises means the influence of finance on the main economic activities, including production, finance, investment activities of the enterprise during the investment process. It is for this reason that the functions of the financial mechanism include the following: that is, the organization of financial relations, the creation of a strict system of monetary relations based on the specificity of economic activity, the rational management of cash flows and all financial resources.

According to our analysis, the main goals of the financial mechanism of investment activities of oil and gas enterprises should be:

- receiving additional income in the form of interest and dividends from previously purchased shares and bonds;
- placing temporarily idle funds in deposit accounts in order to prevent losses under various information and to obtain low-risk income;
- earning income by buying shares of partner enterprises (product suppliers, contractors and consumers), shares in the authorized capital (this is to control their activities, to integrate them in the direction of the strategic goals of the oil and gas enterprise, to have their own large reserves of raw materials, materials and components it is important that it also performs the function of a special lever);
- buying shares of related and high-profit enterprises or a share in their authorized capital, obtaining additional income by acquiring and being free from excessive competitors in the market;
- purchase of promissory notes of commercial banks and other issuers with a stable price in order to minimize financial losses in settlement with mandatory payments and taxes;
- implementation of high-level marketing research, design work and scientific and technological research.

The efficiency of oil and gas industry enterprises differs from other sectors of the economy in that it is directly related to factors such as high sensitivity to the foreign market, price changes, geopolitical situation, and climate changes.

In 2019, the factors listed above had a significant impact on the occurrence of significant changes in the rating of integrated oil and gas companies of the world (Table 1).

Table 1. "S&P Global Platts" rating of integrated oil and gas companies for 2021

Company name	State	Assets	Earnings	Benefit	ROIC	Growth
Royal Dutch Shell	The Netherlands	399 194	388 379	23 352	8	13,6
Exxon Mobil	USA	346 196	279 332	20 840	9	5,0
Лукойл	Russia	87 894	123 214	9 494	13	11,8
Газпром	Russia	319 085	126 101	22 329	8	10,6
Equinor ASA	Norway	112 508	78 556	7 535	11	10,7
Chevron Corp	USA	253 863	158 902	14 824	8	9,0
Total SA	France	256 762	184 106	11 446	7	8,7
Surgutneftegaz	Russia	78 747	23 572	12 138	18	15,7
Rosneft	Russia	163 380	100 541	6 508	6	26,6
China Petroleum Chemical Corp	PRC	230 509	418 384	8 920	6	12,7

As it can be seen from the rating, the investment profitability index belongs to the companies "Surgutneftegaz" (18) and "Lukoil" (13) of the Russian Federation, followed by the Norwegian "Equinor ASA" (11) and the USA "Exxon Mobil".

“Бугунги кунда АҚШ энергетика бозорида минглаб хусусий қидирув компаниялари фаолият олиб бораётган бўлиб, углеводородларни қидириш ва қазиб олиш билан боғлиқ жараёнлар патент тизими орқали тартибланади”[6]. Энергетика бозорига киришни таъминловчи қатъий монополияга қарши сиёсат маҳаллий нефть қазиб олувчиларни бозор ўзгаришларига тез ва осон мослашувчанлигини таъминлаш имкониятини беради.

USA	Near and Middle East	Europe (in the case of Norway)
<ul style="list-style-type: none"> • strict restrictions on the use of foreign capital; • effective legal aid; • strict anti-monopoly policy; • strengthening the influence of centralized regulation, etc. 	<ul style="list-style-type: none"> • implementation of the policy of full nationalization of the oil and gas industry; • making targeted investments in the structures of multinational corporations and large international financial organizations; • creation of infrastructure for oil processing and sale of oil products abroad. 	<ul style="list-style-type: none"> • formation of an efficient management model regulated by the state; • participation in national control and oil projects; • effective attraction of foreign financial and intellectual resources to invest in oil production.

Figure 1. Features of the development of the oil and gas market in foreign countries

The analysis of the investment activity of the world's major oil and gas enterprises shows that it is appropriate to use previously approved methods of financial modeling and causal analysis to analyze investments, achieve their positive impact on the overall financial condition of the company, and determine the strategy of investment activity.

Today, investment processes in modern oil and gas enterprises are based on a standardized and maximally digitized mechanism of forecasting. Equally effective investment activities at all levels of oil and gas enterprises should be carried out on the basis of a well-thought-out investment development strategy based on all the characteristics of the industry.

Taking into account that speed and availability of information serve as the most important decisive factors in investment processes, as we mentioned above, standardization and digitalization of these processes is undoubtedly the most correct way to the goal.

Conclusions and suggestions

The effectiveness of the investment activity of enterprises operating in the oil and gas sector in the conditions of the market economy is one of the most important strategic directions for the economy.

Based on the study and analysis of the investment activities of the world's major oil and gas enterprises, review the financial mechanisms of investments, research the extent to which they achieve a positive impact on the overall financial situation of the company, and use the approved methods in the research object of financial modeling and causal analysis in determining the strategy of investment activity. application will be appropriate.

In the implementation of investment projects in oil and gas enterprises, it is possible to increase the indicator of the internal level of income by two percent and reduce the cost of capital investments as a result of carrying out and reducing the comparative analysis of the break-even point shift with the help of special software.

Determination of the optimal level of financing of investment projects in the fields of extraction and processing of oil and gas enterprises from the enterprise's own capital and debt funds, as well as the classification of potential investors will lead to a change in the nature of the project and an increase in the volume of cash flows.

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