

Investment policy of automobile transport entrepreneurs

Kongratboy Avezimbetovich Sharipov¹, Zaynuidinova Umida Djalolovna²

¹Doctor of Technical Sciences, Professor, Rector, Tashkent State University of Economics, Uzbekistan

²Candidate of Economic Sciences, Associate Professor

Correspondent author: rector@tsue.uz DOI 10.31150/ajebm.Vol3.Iss1.117

Abstract: This article analyzes the conditions for the effective implementation of the investment policy strategy based on market requirements and developed a general algorithmic model for the implementation of the investment policy of the automobile transport enterprise.

Keywords: road transport, investments, investment policy, model, algorithm, transport enterprises.

Introduction

In modern conditions, the development of the road transport services market is constrained by a number of systemic economic, technical, technological and organizational constraints. Features of the transport enterprises are characterized by high capital expenditure, relatively low return on assets, and long payback period for development projects. Therefore, determining the factors that shape the investment policy of the transport operators will enable them to study the impact of the external and internal environment and create an effective mechanism for managing production capacity development and use.

From this it can be concluded that operating investment activity in any enterprise is a part of the overall economic investment activity, even if it has a specific nature. In turn, the investment activity of the automobile transport enterprise is of paramount importance in addressing the priority tasks, such as ensuring its competitive advantage, attracting customers in the domestic and foreign markets with new types of transport services through the modernization and renewal of the existing structure. At the same time efficiency depends on investment policy.

The effectiveness of the investment policy can be traced to varying degrees in the provision of transportation services and processes.

It is not an exaggeration to say that in difficult economic conditions, automotive operators need to be able to adapt quickly to changing competition and changing customer needs. Especially in the urban passenger services market, private operators have been able to capture the most attractive market segments by increasingly offering high quality passenger services. Large state-supported bus companies are also serving the socially important but ineffective segment.

Theoretical background

Operators of the urban passenger services market can be divided into two main groups [1]:

1. Large bus companies with a large share of the state in charter capital. Operators of this group are created using the park on the balance sheet of the community, and their activities focus primarily on meeting the needs of the urban population.

2. Independent enterprises established by private investors. The core of the business of this group of operators is the maximum focus on market requirements.

Analysis of the transport services market has identified the following trends in its development:

- ✚ medium-term and long-term growth prospects;
- ✚ increased competition among transport enterprises;
- ✚ Decrease in the share of state-owned enterprises in the transportation services market;
- ✚ high growth rates of operating small enterprises at large compared to large motor transport enterprises;
- ✚ The structure of the rolling stock varies significantly by the type of enterprise.

Main part

Our analysis shows that investment policy can be viewed as the formation of an enterprise competitive strategy based on the concept of marketing policy.

Thus, the formation of investment policy in road transport enterprises will be examined primarily from the perspective of investors, transport operators and customers, strengthening the competitive advantage.

Investment policy, in its development strategy, focuses on marketing services market evaluation from marketing perspective.

A study of trends in the development of the automotive services market will help to identify the conjunctive factors that determine the goals and objectives of the investment policy of the motor vehicle. Their investment attractiveness is determined by the following factors: the cost of

operating equipment, the tariffs for transportation and the terms of their installation, the share of transport organizers in the costs of other sectors of the economy, and other factors.

In developing their investment policy, automobile enterprises need to differentiate development strategies in certain segments of the market, in terms of the structure of the car fleet and the type of freight and passenger transportation.

Based on the foregoing, the investment policy of the motor transport enterprise is the coordinated programs, projects to provide the required level and structure of investments in certain types of activities, primarily freight and passenger activities, with a view to raising investment capital and enhancing investment attractiveness for foreign investors. and the sum of events.

On the basis of the analysis of economic literature the following principles of the investment policy of automobile transport enterprises can be distinguished:

1. The principle of systematicity implies the ability to self-organize an enterprise, ie an open socio-economic system for the interaction with internal and external investment factors.
2. The principle of development. Investment policy is, first of all, part of the overall strategy of the enterprise to ensure the development of production activities. It should align with the strategic objectives of the enterprise and the direction of its production activities.
3. The principle of perspective. Strategic prospective investment policy of automobile transport enterprise is characterized by active implementation of effective innovative solutions in all directions.
4. The principle of harmony. This principle provides for the interconnection of current, operational and promising management of investment activities. Current investment activities will be implemented through the development of the investment program of the enterprise's investment policy.
5. The principle of flexibility. This principle envisages adaptation of the investment policy to changes in the environment. If the expected external investment environment is relatively stable, it will create conditions for the full implementation of the predetermined investment policy of the enterprise. Changes in investment policies in the context of environmental instability may also cause certain risks or open up new investment opportunities. Therefore, investment policy should be flexible and responsive to changes in the investment climate, the investment market situation and more.
6. The principle of alternativeness. This principle provides for alternative investment choices. Alternatively, the most efficient investment projects are selected and the probability of return on invested capital increases.

7. The principle of innovation. This principle envisages the formation of investment policy as the main mechanism for the implementation of scientific, technical and technological innovations that ensure enterprise competitiveness in the market. Achievement of common objectives of strategic development of an enterprise depends on how fast it is adapted to the use of innovation in investment policy.
8. The principle of minimizing risks. This principle envisages an investment policy that helps to minimize the risks associated with investing activities. The risk of investment policy is determined by the following factors: selection of directions and forms of investment activity, formation of sources of investment resources, justification of forms of financing, introduction of new organizational structures of management.

Applying the principles of investment policy, taking into account the emerging trends and trends in the development of the transport services market, will allow achieving the goals and objectives set by the strategy of development of any existing transport enterprise.

The purpose of the investment activity of the automobile transport company is to update the fleet of vehicles and service equipment according to innovative technologies to meet the needs of their customers. The purpose of the investment policy is to apply various forms of financial security, taking into account changes in the market of vehicles, to ensure smooth operation of the fleet.

At the same time, the main tasks of the investment policy are:

- ❖ ensuring the renewal of the existing content by expanding the work on acquiring new vehicles and upgrading the outdated content;
- ❖ maximal use of sources of financing of the investment program;
- ❖ attraction of long-term external sources of financing for implementation of the investment program;
- ❖ ensuring the required level of economic efficiency of the implemented projects;
- ❖ monitoring and control over the use of investment resources.

The essence of the investment policy of the automobile transport enterprise is the rational use of limited investment resources for timely updating and replenishment of the existing content park. In justifying investment options, the enterprise faces the problem of selecting investment objects with different investment characteristics. In this case, the system of investment projects is used as a tool to implement the investment policy in order to achieve its specific objectives.

Formation of the investment program of the automobile transport enterprise should provide solution of one or several of the following tasks:

- ❖ Achieving high rates of income growth. This issue can be addressed through the implementation of high-income projects that create the conditions for sustaining the enterprise's solvency.
- ❖ Reduction of current costs. This task will be accomplished through implementation of projects with low operational costs.
- ❖ Implementation of high-profit projects.
- ❖ High capital growth. This is accomplished by implementing projects with a net present value of income.

The stated objectives of the formation of the investment program are in many ways alternative. For example, high capital growth will be driven by, to a certain extent, a decline in current income levels; capital and income growth are directly related to the level of investment risks; Adequate solvency can prevent investment programs from investing in long-term capital-intensive projects with high capital-intensive investment projects. Taking into account the alternative of the goals of the investment program, it is necessary to determine the priority directions of investment activities of the transport enterprise for a certain period, to approve the investment strategy, and to develop the investment policy.

The stages of formation of the investment program presented in the scientific and methodological literature [3] can be divided into

1. Determine the objectives of the transport strategy of the transport company in the projects of the renewed content program. To do this, the development goals will be clarified with a specific set of indicators.
2. Identification of investment opportunities of a transport company, regardless of the availability of investment resources, the state of the investment market and other factors. The number of tendered investment projects must exceed the number of projects envisaged in the investment program.
3. Optimizing the proportion of the transport enterprise's investment program, taking into account the volume and structure of the investment resources.
4. Criteria for investment projects' efficiency by separate types. Here are the criteria for allocating investment projects: net discount income, profitability index, internal rate of return, repayment period. The main criteria for project selection should be linked to the operational and financial performance of the transportation company [4].
5. Evaluation of the effectiveness of investment projects. Initial selection of investment projects for in-depth analysis, selection from the total set of projects that do not meet the

criteria for investment efficiency. In the formulation of the investment program of the transport enterprise, independent investment projects are usually involved and the decision to implement them is made solely on the basis of their effectiveness. If resources are sufficient, then all independent investment projects that are effective should be adopted for implementation.

6. Formation of a system for moving content updates, including a system of production and financial constraints.
7. Finalization of investment projects in the program of updating the existing structure of the transport enterprise, taking into account optimization of investment activity and provision of necessary diversification by priority criteria

Conclusion

The principles, goals and objectives of the investment policy considered in this clause will allow achieving the goals and objectives set by the Road Transport Development Strategy, taking into account trends and regularities in the development of the transport market.

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