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EVALUATION OF THE ECONOMIC EFFICIENCY OF FOREIGN INVESTMENT PROJECTS IN THE AGRICULTURAL SECTOR

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The effective implementation of foreign investment projects in the agricultural sector is one of the important factors in ensuring the country's food security, increasing employment in rural areas, expanding production volumes and increasing export potential. Foreign investments bring not only additional financial resources to the agricultural sector, but also modern technologies, advanced management experience, innovative production methods and opportunities for integration with international markets. Therefore, a correct assessment of the economic efficiency of investment projects implemented in the agricultural sector is an important direction of investment policy.

When assessing the efficiency of investment projects, it is advisable to use indicators such as income, expenses, net cash flow, profitability, investment payback period and added value generated by the project. This should also take into account the seasonality, natural and climatic conditions, use of water resources, volatility of product prices and production risks inherent in agriculture.

The expansion of foreign investment in the agricultural sector in Uzbekistan requires a systematic analysis of the economic efficiency of these projects. It is especially important to direct investments to projects that create high added value, are export-oriented and based on modern technologies.

When assessing the economic efficiency of foreign investment projects in the agricultural sector, it is necessary, first of all, to determine the extent to which investment funds are converted into economic results. In this regard, along with the volume of investment, the value of the product created by the project, net profit, export revenue, new jobs and tax revenues are also considered important criteria. Especially since the initial investment costs in long-term agricultural projects may be high, it is not correct to assess efficiency only on the basis of short-term profits.

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The table data shows that during 2025, the volume of foreign investments and loans directed to fixed capital in agriculture, forestry and fisheries increased consistently by quarters. According to official data from the National Statistics Committee of the Republic of Uzbekistan (SIAT), this indicator amounted to 8,255.6 billion soums in the first quarter, 16,853.0 billion soums in the second quarter, 28,843.5 billion soums in the third quarter, and 39,034.0 billion soums in the fourth quarter.

The increase in the volume of investments by quarters indicates that the activity of foreign investors in the agricultural sector increased by the end of the year. In particular, investments in the amount of 39,034.0 billion soums in the IV quarter were 4.7 times higher than in the I quarter. In the II quarter, investments increased by almost 2.0 times compared to the I quarter, and in the III quarter - by 1.7 times compared to the II quarter.

Table 1 Foreign investment and loans attracted to agriculture, forestry and fisheries in 2025, by quarter¹

Period	Foreign investments and loans, billion soums
I quarter	8 255,6
II quarter	16 853,0
III quarter	28 843,5
IV quarter	39 034,0
Total	92 986,1

Of particular importance in this dynamics is the increased financing of investment projects in the second half of the year. Investments in the fourth quarter accounted for about 42 percent of the total annual volume. This can be explained by the financing of large agricultural investment projects, the commissioning of production capacities, or more active absorption of investment funds at the end of the year.

In general, the growth trend of quarterly indicators in 2025 indicates an increase in the investment attractiveness of the agricultural sector for foreign capital. In this case, directing foreign investments not only to the production of agricultural products, but also to agroclusters, modern greenhouses,

¹ <https://stat.uz/uz/> prepared by the author based on information.



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water-saving technologies, cooling and storage infrastructure, processing and export-oriented projects can further increase economic efficiency.

Also, official statistics separately track the number of enterprises with foreign capital in agriculture, forestry and fisheries. This indicator, together with the volume of investment, can be used as an additional indicator in assessing the attractiveness of the agricultural sector for foreign investors.

One of the main financial indicators for evaluating investment projects is the net present value (NPV). If the NPV has a positive value, the project is considered economically acceptable for the investor. The internal rate of return (IRR), on the other hand, expresses the level of profitability of the project and allows the investor to compare the expected return with the cost of capital. In addition, the use of indicators such as the payback period (PP) and the profitability index (PI) increases the possibility of comparing projects.

The efficiency of agricultural projects is directly affected by product yield, production costs, water and energy costs, logistics, and export prices. Therefore, it is advisable to use sensitivity and scenario analysis when evaluating foreign investment projects. For example, predicting in advance how a decrease in yield, a change in product price, or exchange rate fluctuations will affect the project's cash flows reduces investor risks.

Assessing the economic efficiency of foreign investment projects in the agricultural sector is an important condition for the rational use of investment resources and ensuring the interests of investors. The analysis shows that it is not enough to assess the effectiveness of a project only by investment volume or production indicators. In this case, the profitability of the project, net cash flow, payback period of investments, risk level, export potential and socio-economic impact should be taken into account in a comprehensive manner.

The use of financial indicators such as NPV, IRR, PI and PP for agricultural projects increases the scientific validity of investment decisions. At the same time, it is advisable to use sensitivity and scenario analysis to take into account natural, climatic and market risks inherent in agriculture. In the future, directing foreign investments to water-saving technologies, intensive

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gardening, animal husbandry, aquaculture, agro-logistics, storage and deep processing projects can yield high economic results. As a result, improving the system of comprehensive assessment of investment projects will ensure the effective allocation of foreign capital, technological modernization of agricultural production, an increase in export volumes and sustainable economic development of rural areas.