

## DIRECTIONS FOR CREATING INTERNAL RESERVES OF FINANCIAL STIMULATION OF INNOVATIVE ACTIVITIES

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**Abstract.** *The article examines and analyzes the internal reserves of innovative activities of industrial enterprises. Currently, the leading industrial countries apply various types of internal reserves to stimulate innovation and their activities.*

**Keywords:** *innovative activity, internal reserves, incentives, industrial enterprises, stimulation, budget, tax, investments.*

**Introduction.** Studying foreign experiences in evaluating the mechanisms of financial stimulation of innovative activity in industrial enterprises, and applying its advanced aspects, allows choosing the most optimal option for achieving the goal. Best Practices The term "best practice" was coined by Frederick Taylor in 1914, who stated: - "Among the many methods and instruments used in every process and at every moment, one will always be found to work faster and more efficiently than the others" [1].

When analyzing the scientific debates of our republic on the development and assessment of the potential of financial incentives mechanisms of innovative activity in industrial enterprises, it was recognized that the innovative potential is assessed by individual elements. For example, when assessing the budget potential, it is estimated in four stages (absolute stable state of the budget, normal state, unstable state, crisis state) taking into account that it is determined by the amount of resources necessary to ensure the stability of the local budget [2]. Here, it is emphasized that the budget and innovative potential of innovative activity in industrial enterprises is an indicator that leads to an increase in the possibility of returning investments and the interest of investors. We can cite the Decision of the President of the Republic of Uzbekistan "On the introduction of the system of rating evaluation of the socio-economic development of innovative activities in industrial enterprises" in the methodology of approaches to the assessment of the financial and economic potential of regions [3]. Based on this, a rating system was introduced to assess the economic and investment potential of innovative activity in the country, in the deep analysis of the current state of social and economic development of industrial enterprises, and the comparative advantages of innovative activity in industrial enterprises are being evaluated based on statistical indicators and questionnaires. Based on the main goal of this decision, the evaluation system is focused on a number of indicators, among which are the achievement of financial independence of innovative activities in industrial enterprises and the development of the banking and finance sector, increasing the level of competitiveness of innovative activities in industrial enterprises, further diversifying their economy, and creating new jobs. represents a part of the potential.

**Issues.** Sustainable economic development of innovative activities in industrial enterprises directly depends on the volume of financial resources of innovative activities in industrial enterprises and the formation of local budget revenues, which are an integral part of them. This is determined by the innovative potential and its assessment. Therefore, in the comprehensive study

of the creation of internal reserves of the mechanisms of financial stimulation of innovative activity in industrial enterprises, it helps to study in detail the economic processes of innovative activity in industrial enterprises and to determine the laws that affect the effective use of the mechanisms of financial stimulation of innovative activity in industrial enterprises, while studying the best foreign experiences. Of course, it is appropriate to study the experiences of developed countries and apply effective methods of quantitative assessment of the creation of internal reserves of financial incentive mechanisms of innovative activity in industrial enterprises, based on the characteristics of our national economy.

We can consider the methodology of approaches to the assessment of internal resources, mechanisms of financial stimulation of innovative activity in industrial enterprises, in modern conditions, from the experiences of several countries.

The main methods of assessing the internal reserves of the mechanisms of financial stimulation of innovative activity in industrial enterprises include the existing base of statistical indicators. Accounting is carried out on the basis of books, the system of national accounts, statistical indicators characterizing individual financial flows and integrated methods that incorporate financial flow data.

**Discussions and results:** As the main link of economic potential, innovative potential is assessed and analyzed in foreign countries by elements: budget, tax, credit, investment and households.

The local budget and tax potential, which is one of the main elements of the innovation potential, demonstrates the ability of the region to fulfill its obligations and use it, and serves as a guarantee of the region's high level of stability and investment attractiveness.

The budget tax authority of a number of foreign countries is determined and determined by tax and tax-free receipts and transfers (see Table 1).

**Table 1**

**Sources of budget revenues of innovative activity in industrial enterprises of European countries [4]**

Countries	In percentage		
	Taxable income	Tax-free earnings	Transfers
Sweden	74	20	5
France	45	33	18
Great Britain	15	13	70
Switzerland	48	26	15
Norway	44	38	18
Netherlands	13	67	20
India	38	49	12
Ireland	5	79	28

Denmark	53	38	7
Germany	60	26	14

Based on table 1, it can be seen that innovative activity in industrial enterprises accounts for 94% of the budget tax and non-tax revenue in Sweden - 91%, Denmark - 91%, Italy - 87%, Germany - 86%, France - 78%, Switzerland - 74%. %, Norway - 82%. The largest share of inter-budgetary transfers, 70%, falls on Great Britain, but these transfers are targeted grants of public administration authorities.

These indicators show financial self-sufficiency and financial independence of European countries in solving social and economic problems.

We can see as an example some of the industrial enterprises that are engaged in innovative activities in our country and are developing it day by day:

Based on the information sheet of “**Mexmash**” joint-stock company operating in Namangan region, we have collected the information sheet for the model from 2015 to 2020 (Table 2)

**Table 2**

**Model information [5]**

<b>Years</b>	<b>Increased profits from innovative product development</b>	<b>The volume of production of innovative products by the company is thousand. soum.</b>	<b>The amount of investment attracted to the company for the development of innovative products is one thousand soums</b>
2015y.	14683,5	119561,3	32,8
2016 y.	16789,2	141564,7	64,9
2017 y.	21781,3	185423,2	168,3
2018y.	23654,7	269432,4	234,3
2019 y.	40511,1	569871,7	364,7
2020 y.	36465,4	486124,2	564,3

We use multicollinearity to examine how the model predictors and factor variables behave in the model, and to study interdependence within the model. To do this, we will make a correlation table of the them.

**Table 3**

Correlation Matrix			
	<i>y</i>	<i>x1</i>	<i>x2</i>
Y	1		
x1	0,993633	1	
x2	0,899904	0,88619	1

From figure 1, we can conclude that there is no multicollinearity in the data set.



**Conclusion.** According to the results of the model the increase of the volume of production( $x_1$ ) of innovative products to one percent by the company leads to the volume of development of innovative activity to 0.85 percent, an increase in the amount of investment attracted to the company for the development of innovative products by thousand soums ( $x_2$ ) will lead to a 0.11% increase in the volume of innovative activities in the company.

As a result of the studied forecasting model, the success of the financial investment attracted to the joint-stock company and its establishment largely depend on the implementation period of the investment project, the internal potential in the area, the level of acceptance of the project by the society, the internal personnel skills of the society, and the compliance with the state investment policy initiative that supports the investment project in the society depending on the aspect. Moreover, according to the research scope, the volume of innovative product development by the joint-stock company "Mexmash" ( $x_1$ ) increases by 0.04 bps, the amount of investment attracted to the joint-stock company for the development of innovative products is thousand soums ( $x_2$ ). The increase of 1.5% leads to a 33.91% increase in the volume of innovative activities in company.

**Suggestions.** Therefore, it should be noted that "Mexmash" joint-stock company, in order to improve the innovative activity, requires the formation of the innovative development strategy of the company. It is necessary to evaluate the innovative activities of this society from the development stage to the delivery to the consumer.

In addition, the modernization of production lines and equipment, as well as the process of reconstruction of buildings and structures are ongoing at the enterprise. The management of the company aims to improve working conditions, improve the service system, and increase incentives for continuous production of quality products.

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