

**INVESTMENT ATTRACTIVENESS OF AGRICULTURAL ENTERPRISES
AS A FACTOR IN ENSURING THEIR COMPETITIVENESS**

**АУЫЛ ШАРУАШЫЛЫҒЫ КӘСІПОРЫНДАРЫНЫҢ ИНВЕСТИЦИЯЛЫҚ
ТАРТЫМДЫЛЫҒЫ ОЛАРДЫҢ БӘСЕКЕГЕ ҚАБІЛЕТТІЛІГІН
ҚАМТАМАСЫЗ ЕТУ ФАКТОРЫ РЕТІНДЕ**

**ИНВЕСТИЦИОННАЯ ПРИВЛЕКАТЕЛЬНОСТЬ ПРЕДПРИЯТИЙ СЕЛЬСКОГО
ХОЗЯЙСТВА КАК ФАКТОР ОБЕСПЕЧЕНИЯ ИХ КОНКУРЕНТОСПОСОБНОСТИ**

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Abstract. Purpose - the study of theoretical and practical aspects of investment attractiveness of agricultural enterprises in Kazakhstan based on the analysis of the volume of attracted investments in the agro-industrial complex. The article was prepared within the framework of grant funding from the Science Committee of the Ministry of Science and Higher Education of the Republic of Kazakhstan on the topic AP19680320 «Study new tool to develop business environment of Kazakhstan's regions to improve country's investment attractiveness and competitiveness in Eurasian region». **Methods** - research, descriptive and analytical types of strategies are used in combination with *methods* of formalization, abstraction, statistical processing and visualization of data. **Results** - in the authors' opinion, despite the fact that the agrarian sector is economically and socially significant for the rural areas of the republic, it remains unattractive for investors. Investment in the agrarian sector and the growth of investment projects in the agro-industrial complex are constrained by the acute shortage of financial resources, underdeveloped material, technical and technological base, and low effective demand of the population. Investments form the production potential and determine the competitive position of regions. The article considers the problems that hinder the increase in investment activity. The role of the state in the management of investment processes is revealed. The factors hindering the inflow of investment and measures to increase the volume of financial injections into agriculture are shown. **Conclusions** - creation of favorable

investment climate in agro-industrial production and activation of investment activity of economic entities is one of the most urgent tasks of agro-industrial complex development. Based on the realities of the economic situation in the agricultural sector, it is necessary to mobilize its internal reserves, the formation of an effective market infrastructure, the growth of solvency of agricultural producers, the strengthening of state support. Only in this case the conditions for investment attractiveness will be formed and the degree of saturation of the food market of the country with the products of own production will increase, the possibility of renewal of fixed assets of the industry will appear.

Аңдатпа. *Мақсат* – Қазақстандағы ауыл шаруашылығы кәсіпорындарының инвестициялық тартымдылығының теориялық және практикалық аспектілерін зерттеу, агроөнеркәсіп кешеніне тартылған инвестициялардың көлемін талдау негізінде. Мақала Қазақстан Республикасы Ғылым және жоғары білім министрлігі Ғылым комитетінің гранттық қаржыландыру шеңберінде АР19680320 «Еуразия аймағында елдің инвестициялық тартымдылығын және бәсекеге қабілеттілігін арттыру үшін Қазақстан өңірлерінде кәсіпкерлік ортаны дамытудың жаңа құралдарын зерттеу» тақырыбында дайындалған. *Әдістер* – зерттеу, сипаттамалық және аналитикалық стратегиялар, формализация, абстракция, статистикалық өңдеу және деректерді визуализациялау әдістері қолданылды. *Нәтижелер* – авторлардың пікірінше, ауыл шаруашылығы секторы республиканың ауылды жерлері үшін экономикалық және әлеуметтік маңызы зор болса да, ол инвесторлар үшін тартымсыз болып қалуда. Аграрлық салаға инвестициялау мен АӨК-дағы инвестициялық жобалардың өсуін қаржылық ресурстардың жетіспеушілігі, материалдық-техникалық және технологиялық базаның дамымағандығы, халықтың төлем қабілеті төмен сұранысы тежейді. Инвестициялар өндірістік әлеуетті қалыптастырып, өңірлердің бәсекелік позицияларын анықтайды. Мақалада инвестициялық белсенділікті арттыруды тежейтін мәселелер қарастырылған. Мемлекет тарапынан инвестициялық процестерді басқарудағы рөлі ашылған. Инвестициялық салымдардың келуін қиындататын факторлар мен ауыл шаруашылығына қаржылық құю көлемін арттыру шаралары көрсетілген. *Қорытындылар* – агроөнеркәсіп өндірісінде қолайлы инвестициялық климатты қалыптастыру және шаруашылық субъектілерінің инвестициялық белсенділігін арттыру агроөнеркәсіп кешенін дамытудағы ең өзекті міндеттердің бірі болып табылады. Аграрлық сектордағы экономикалық жағдайды ескере отырып, оның ішкі резервтерін мобилизациялау, тиімді нарық инфрақұрылымын қалыптастыру, ауыл шаруашылық тауарын өндірушілердің төлем қабілетін арттыру және мемлекеттік қолдауды күшейту қажет. Тек осылайша инвестициялық тартымдылық қалыптасып, елдің азық-түлік нарығы отандық өндіріс өнімдерімен толықтырылады, саланың негізгі қорларын жаңарту мүмкіндігі пайда болады.

Аннотация. *Цель* - изучение теоретических и практических аспектов инвестиционной привлекательности сельскохозяйственных предприятий Казахстана на основе анализа объемов привлеченных инвестиций в агропромышленный комплекс. Статья подготовлена в рамках грантового финансирования Комитета науки Министерства науки и высшего образования Республики Казахстан по теме АР19680320 «Исследование новых инструментов развития бизнес-среды в регионах Казахстана для повышения инвестиционной привлекательности и конкурентоспособности страны в регионе Евразии». *Методы* - использованы исследовательские, описательные и аналитические типы стратегий в сочетании с приемами формализации, абстракции, статистической обработкой и визуализацией данных. *Результаты* – по мнению авторов несмотря на то, что аграрный сектор является экономически и социально значимой отраслью для сельской местности республики, он остается малопривлекательным для инвесторов. Инвестирование в аграрную сферу и рост инвестиционных проектов в АПК сдерживаются острым дефицитом финансовых ресурсов, слаборазвитой материально-технической и технологической базой, низким платежеспособным спросом населения. Инвестиции формируют производственный потенциал и определяют конкурентные позиции регионов. В статье рассмотрены проблемы, сдерживающих повышение инвестиционной активности. Раскрывается роль государства в управлении инвестиционными процессами. Показаны факторы, затрудняющие приток инвестиционных вложений и меры увеличения объемов финансовых вливаний в сельское хозяйство. *Выводы* – создание благоприятного инвестиционного климата в агропромышленном производстве и активизация инвестиционной деятельности хозяйствующих субъектов – одна из наиболее актуальных задач развития агропромышленного комплекса. Исходя из реалий экономической ситуации, сложившейся в аграрном секторе, необходимы мобилизация его внутренних резервов, формирование эффективной рыночной инфраструктуры, рост платежеспособности сельхозтоваропроизводителей, усиление государственной поддержки. Только в этом случае сформируются условия для инвестиционной привлекательности и возрастет степень насыщения продовольственного рынка страны продуктами собственного производства, появится возможность обновления основных фондов отрасли.

Keywords: agro-industrial complex, agricultural market, agricultural products, competitiveness, investment attractiveness, financial support, entrepreneurship development, agricultural infrastructure, financial support.

Түйінді сөздер: агроөнеркәсіп кешені, аграрлық нарық, ауыл шаруашылығы өнімдері, бәсекеге қабілеттілік, инвестициялық тартымдылық, қаржылық қолдау, кәсіпкерлікті дамыту, ауыл шаруашылығы инфрақұрылымы.

Ключевые слова: агропромышленный комплекс, аграрный рынок, сельскохозяйственная продукция, конкурентоспособность, инвестиционная привлекательность, финансовая поддержка, развитие предпринимательства, сельскохозяйственная инфраструктура, финансовая поддержка.

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Introduction

Investment process plays an important role in development of national economy in the context of market globalization. Investments largely determine economic growth and employment in the state. It is an essential element economic development of society is based on.

Agriculture is an important branch of the national economy. The sustainable growth of the entire national economy depends on the development of agriculture. However, experience shows that this sector is not attractive for investments due to the low level of profitability compared to other sectors. Today, the issue of attracting investments in agriculture is very relevant for the development of the country's economy (Lemechshenko O., Nakipova G., Akhmet G.) [1].

The study of foreign experience of developing the agricultural sector by stimulating investment activity highlighted the importance of introducing a technological approach to the organization of production in the regions, as well as the need to abandon production based on the export of raw materials and the transition to the full transformation of the territory's resources (Kaldiyarov D.A., Nurmukhankyzy D., Bedelbayeva A.E.) [2].

The low level of profitability of agricultural organizations is explained by the following reasons:

- firstly, if investors in other sectors of the economy invest in the results of human labor, in agriculture it is necessary to invest in natural objects, which significantly increases the pay-back period of investments, because the activities of agricultural organizations are almost impossible to be controlled by the laws of nature. Therefore, the dependence of the results of the activities of agricultural organizations on the natural and climatic conditions of the country, most of which are located in risky agricultural areas, is an objective reason for the low level of investment attractiveness of agricultural organizations;

- secondly, agricultural producers are experiencing great difficulties due to the transition to the market path of economic development.

Until now, the management of these organizations is not able to adapt to constantly changing working conditions, which negatively affects the results of their activities, which leads to the fact that many organizations work on the verge of bankruptcy (Kurmanova D., Ismailova A., Ukibayeva G. et al.) [3].

The study of Kazakh and foreign experience in ensuring sustainable growth of the agricultural sector and increasing investment attractiveness demonstrates that the existence of an effective state management system is one of the most important conditions for the development of agricultural enterprises in the country.

Therefore, favorable economic conditions have a direct impact on attracting investments and contribute to the growth of small and medium-sized agricultural enterprises operating in the country.

Literature Review

Today there are many views on the essence of the concept of «investment attractiveness». Scientists-economists present a wide variety of scientific interpretations and approaches to the definition of this concept.

In the economic literature, the concept of «investment attractiveness» has many similar expressions such as «investment climate», «investment image». Investment attractiveness considered on the scale of a country, industry, region, and enterprise. Enterprises are the main object of investment when implementing specific projects in this system (Kaldiyarov D., Kasenova A., Dyrka S. et al) [4].

According to S.F. Taran, investment attractiveness is determined by the function of the business structure to create a set of favorable conditions and investment climate for the investor in order to effectively use alternative resources (Taran S.F.) [5].

According to O.A. Shapороva, the attractiveness of investment means the ability to change the value of the company. Investment attractiveness determines the efficiency of the enterprise, the relationship between the return on invested capital and the weighted average cost of capital. The organization's ability to increase capital, increase its value and create

wealth depends on this (Shaporova O.A., Kiripichenko E.A.) [6].

Leontiev V.E. and others believe that investment attractiveness determined by the presence of an economic effect (income) from investing funds with a minimum level of risk (Leontiev V., Bocharov V., Radkovskaya N.) [7].

The opinions of different authors on the essence of investment attractiveness differ, but in many ways, they significantly complement each other. None of the above definitions is wrong or correct. So, in the understanding of economists, investment attractiveness is a complex concept that includes a description, a category, a skill, a property, a state, always the balance between risk and profit (Vinichenko I., Shutko T.) [8]. The definition of the term «investment attractiveness» of the organization is not taken into account at the legislative level, and the question of the content of this definition is open. Therefore, the concept of investment attractiveness of agricultural enterprises is actively discussed in the scientific works of scientists.

Many scientific works do not take into account the regional characteristics of increasing the investment attractiveness of agricultural enterprises (Turysbekova A.B., Omurzakova A.K.) [9].

The relevance of the research topic, its significance for science arises from the need to study and identify the reasons for the low investment attractiveness of Kazakhstan and to develop mechanisms for attracting investments in the development of agricultural enterprises (Alibekova V., Abildaev S., Shaldarbekova K.) [10].

Materials and methods

The study was carried out in 3 stages:

* at the preliminary stage of the research, we studied the theoretical and methodological basis of the investment attractiveness of the country, region and agricultural enterprises;

* at the main period of the research, the authors analyzed the investment situation in Kazakhstan and identified the main reasons for the low investment attractiveness of the agricultural sector;

* at the final stage, the authors developed proposals to improve the investment climate in Kazakhstan by increasing the attractiveness of investments in agriculture.

The research tasks were carried out using general and special quantitative and qualitative research methods: when studying research concepts, problems, methods and forms of investment attraction, when studying methodological approaches to the effectiveness of investment activities, theoretical methods of scientific knowledge. used as axiomatic, hypothetical, logical and methods of formalization and abstraction. The analysis of the state of attracting investments in agricultural enterprises of Kazakhstan was carried out using economic, mathematical, statistical methods of analysis and forecasting, as well as tabular techniques for visualizing statistical data. The applied research methods contributed to the formation of the integrity of the research and the receipt of results.

Results

Agriculture is one of the important sources of growth for Kazakhstan's long-term sustainable development, diversification of the economy and improvement of living standards. The country has enormous potential for agriculture due to its vast areas and significant resources. Despite significant potential and competitive advantages, today agriculture in the country is growing at a very slow pace. At the end of 2023, the share of agriculture in Kazakhstan's GDP was only 4.1% (Statistics from the Bureau of National Statistics of Agency for Strategic Planning....) [11].

The structure of agricultural producers in Kazakhstan is very heterogeneous (table). Most of them (85%) are families that produce the majority of all agricultural products in the country and, in particular, agricultural production. In addition to them there are peasant companies and private entrepreneurs who produce most of the livestock products. Most of them (excluding private entrepreneurs) are small and medium-sized business entities.

Table - The structure of producers of agricultural goods in Kazakhstan in 2023

Category	Quantity/share %	Share in agricultural output
Agricultural enterprises (legal entities)	17 595 / 1%	29%
Peasant and farm enterprises and individual entrepreneurs	271 693 / 14%	33%
Households	1 630 974 / 85%	38%

Note: compiled by the author based on data from the Bureau of National Statistical of Agency for Strategic Planning and Reforms of the Republic of Kazakhstan (Statistics from the Bureau of National Statistical of Agency for Strategic Planning....) [11].

Large agricultural enterprises in Kazakhstan often have debt problems due to unstable profitability and prices. The government believes that large businesses and agricultural companies are insolvent, and instead of restructuring, these companies receive large state subsidies to restore their financial condition, which leads to distortions of competition in the sector and reduced efficiency.

Furthermore, small producers of agricultural commodities face a number of problems in accessing supply chains and competing with large agricultural enterprises. These challenges include high unit costs of harvesting and transportation, high food safety risks, uneven product quality, limited access to agricultural knowledge and extension services, weak credit systems, and limited vertical linkages between processors and smallholder farmers.

Agricultural cooperatives can help smallholder farmers increase productivity and benefit from economies of scale. Despite the adoption of the law «On Agricultural Cooperatives» in Kazakhstan in 2015, this institution is still underdeveloped. The government has introduced a number of important reforms to support the development of agricultural cooperatives, but progress has been very slow. Due to the bad experience with collective farming under Soviet rule, farmers have limited awareness and little trust in the cooperative model.

For example, at the end of 2023, only 3.3 thousand agricultural cooperatives operated in the country, their members were about 44 thousand producers of agricultural goods: 54.5% of them were families, 44.7% were peasant and peasant families and private entrepreneurs, 0.8% agricultural businesses. Furthermore, as of the end of 2023, more than 1.9 million producers of agricultural products worked in Kazakhstan. In other words, only 2.3% of active agricultural producers are members of agricultural cooperatives (Statistics from the Bureau of National Statistics of Agency for Strategic Planning ...) [11].

This situation has led to the exclusion of families from government programs. Because their activities are informal, they have limited access to the public support measures that large agricultural producers receive, and the absence of relevant public services means they have limited external incentives to improve their production model or practices.

In 2023, capital investments in agriculture amounted to about 778 billion tenge, of which 435 million tenge, or 0.1%, were financed with budget funds, the rest with private or loan funds. During this period, their share in the total amount of investments in the country was 5.8%

(Statistics from the Bureau of National Statistics of Agency for Strategic Planning...) [11].

The main reasons for limiting investment activity in agriculture are low production efficiency, low investment returns, lack of own funds, debts accumulated in agricultural enterprises and limited access to private financing in the agricultural sector. These difficulties are particularly evident on small farms, which make up the majority of producers of agricultural goods. The concept of AIC widely discusses the problem of insufficient capital investment in agriculture, but to solve it, increasing the amount of non-market interest rate subsidies through various channels (loan interest rate subsidy to supplement principal and working capital, leasing, launch of new subsidized loan programs, etc.).

As mentioned above, the distribution of cheap money by the state in an anti-market manner is the main reason for the low growth of market financing, including the agricultural sector. The availability of large amounts of government-funded soft loans will eliminate private investment and commercial lending by banks. In our opinion, the role of the state in attracting investments should not be to interfere with market relations and rates, but to improve the business environment by removing various administrative and regulatory barriers, as well as stimulating business dynamism and competition.

In 2023, the total flow of foreign direct investment in agriculture amounted to 31.5 million dollars, and their share in total foreign direct investment was only 0.2%. Such low indicators indicate that Kazakhstan's agricultural sector is not an attractive sector for foreign direct investors who prefer to invest in mining or metallurgy. Kazakhstan lags behind other countries in terms of the share of foreign direct investment in agriculture.

The reason for this low level of foreign direct investment in agriculture is the current ban on selling or leasing land to foreigners: foreign businesses cannot own agricultural land and must always rely on local partners with the appropriate rights. Furthermore, foreign investors are attracted by the excessive role of the state in price regulation, as well as the import and export of agricultural products, small production, general underdevelopment of rural infrastructure, lack of qualified personnel, regulatory and legislative problems, etc. Furthermore, Kazakh agriculture is experiencing a chronic shortage of modern agricultural technologies and know-how, which must be imported from abroad.

Other reasons for the unattractiveness of investments in agriculture are high risks, including natural disasters such as drought, floods, pests, diseases, seasonality and high price volatility, as well as rapid changes in global and regional markets.

Kazakhstan's agricultural sector is heavily dependent on state subsidies. The total amount of budget support for agriculture in Kazakhstan in 2023 was approximately 1.7 billion dollars, or 0.8% of GDP. Since 2020, the amount of support has increased, while its share in GDP, on the contrary, has decreased, due to the rapid growth of GDP relative to budget expenditure after the economic recovery from the COVID-19 pandemic (Statistics from the Bureau of National Statistics of Agency for Strategic Planning...) [11].

Subsidies for producers in Kazakhstan in 2023 amounted to 4.5% on average of the gross funds received by farmers. Despite budgetary support, tax revenues from agriculture are low.

The low level of profitability of agricultural sector organizations can be explained by the following reasons (Shulenbaeva F., Karbetova Z., Karbetova Sh.) [12]:

- other branches of the economy, such as engineering, transportation, communications, medicine, invest in the results of human labor, and in agriculture the investor invests in natural objects. This significantly increases the investment risk, increases the payback period of investments, because the activity of agricultural organizations depends on natural and climatic phenomena that are almost impossible to control. Therefore, the dependence of the results of the activities of agricultural organizations on the natural and climatic conditions of the country is an objective reason for the low level of investment attractiveness of organizations in the agro-industrial complex;

- producers of agricultural products are experiencing great difficulties due to the transition to the market economy. Even now the management of agricultural enterprises cannot adapt to constantly changing operating conditions. This has a negative impact on their business results and causes many organizations to fail. In the current economic conditions of Kazakhstan, the need for long-term investments in agricultural organizations has increased.

Therefore, the reasons for the low level of investment attractiveness of agricultural businesses are:

- management inefficiency and low level of qualification of managers;
- poor availability of material and technical resources;

• strong deterioration of the main funds of organizations;

- use of obsolete technologies;
- the need for long-term loans (35 years and more);
- high degree of risk due to the slow circulation of funds in the agricultural sector;
- the need to achieve the optimal ratio between animal and plant production for the rational use of available resources;
- low level of wages in this sector of the economy;
- underdevelopment of infrastructure in rural areas.

The main reasons holding back investment activity in agriculture include low production efficiency, including low returns on investment, insufficient equity, accumulated debt in agricultural enterprises, and limited access to private financing in the agricultural sector. These problems are especially noticeable among small farms, which make up the majority of agricultural producers. The Concept of the AIC widely discusses the problem of insufficient capital investment in agriculture, but to solve it, as in previous state programs, it provides for an increase in the volume of subsidies at non-market interest rates through various channels (subsidizing interest rates on loans to replenish fixed and working capital, leasing, launching new programs for preferential lending, etc.).

The distribution of cheap money by anti-market methods by the state is the key reason why market financing is not growing, including in the agricultural sector. The presence of a large volume of preferential loans financed by the state displaces private investment and commercial bank loans. In our opinion, the role of the state in attracting investment should not be to interfere in market relations and rates, but to improve the business environment by eliminating various administrative and regulatory barriers, as well as promoting business dynamism and competition.

Kazakhstan's agriculture is experiencing a chronic shortage of modern agricultural technologies and know-how, which must be introduced from abroad. Among other reasons for the low investment attractiveness of agriculture in general, one can highlight the high risks inherent in this sector, including natural disasters such as droughts, floods, pests, diseases, seasonality and high price volatility, as well as rapid changes in global and regional markets.

Due to the low investment potential and lack of working capital, all profits of agricultural producers are allocated to current activities and no funds remain for capital investments.

Therefore, the revival of investment activity, the search for additional sources of investment is a condition for preventing the crisis of agriculture and determines the direction of its long-term development.

In our opinion it is necessary to reduce and reorient ineffective state support that distorts market relations in the agricultural sector. Instead of inhibiting private sector development, public spending and investment should be re-directed to encourage competition and efficient private entrepreneurship in the agricultural sector. The government should focus on creating a business environment that promotes entrepreneurship, private investment and entrepreneurial dynamism, in which unprofitable businesses are rapidly replaced by profitable ones. Market mechanisms for redistribution of capital and labor resources should work automatically in the sector. Government subsidies should be allocated almost entirely to infrastructure and human capital development projects in agriculture (Akimbekova G.U., Nikitina G.A.) [13].

State regulation of the agricultural industry is used in all countries of the world. Providing comprehensive support to producers using various economic levers is the priority of many countries (reimbursing production costs, price support, subsidizing the production structure, implementation of various programs). However, the forms and methods aimed at creating favorable conditions for the stable operation of the agro-industrial complex of the country depend on the features of the development of the agro-industrial complex, as well as natural and climatic conditions.

In the USA, the profitability of agricultural production is subsidized, and in European countries, subsidies are given per hectare of cultivated land. In countries located in the subtropical zone, the state does not subsidize agriculture at all. At the same time, many developed countries pay a lot of attention to the problems of indirect support of agriculture. This is primarily the training of farmers through government programs for the dissemination of knowledge. In many countries, measures are financed to improve the quality of manufactured products, provide veterinary supervision, implement the achievements of scientific and technical progress, protect the environment, stimulate production in problem areas, and ensure the minimum income level for small farms. Price support funds have the largest share in the structure of state subsidies in foreign countries.

In general, the review of the world experience shows that Kazakhstan has the prerequisites for transition to resource-saving and

organic technologies aimed at improving the ecological situation and preserving the environment, creating a solid fodder base that ensures the development of animal husbandry. In addition, Kazakhstan needs to adopt the experience of creating marketing cooperation and creating infrastructure for agriculture, as well as to ensure the stability of state support measures for the agro-industrial complex and to take measures to increase the financing of agrarian science.

Unlike direct subsidies to agricultural producers, which distort market mechanisms, there are many studies that show higher economic returns from public investments in agricultural innovation, water management, roads, markets and other infrastructure. Government support in the form of funding for scientific development, as well as extension services and transfer of technology and know-how, provides one of the highest effectiveness rates of all public investments in rural development.

In Kazakhstan's agricultural sector, there is an urgent need for an independent assessment of the impact of state support on market mechanisms and competition. The role of the state in the agricultural sector development program should be limited to measures aimed at eliminating «market failures» (Mizanbekova S., Kalykova B., Jumabayeva A.) [14].

This assessment should answer the following questions:

1. Does the State improve or worsen competition and market mechanisms in agriculture?
2. Which market failures are targeted by government measures?
3. Will this measure address market failures on a permanent basis without further involvement and assistance from the state?

Import substitution policy (food self-sufficiency policy) should be stopped in agriculture. From a food security perspective, the government's main concern should be the ability of the poor to pay for food. Kazakhstan has an open economy and reliable foreign trade relations, so the physical availability of food for the population is not a problem. That is, the government should reorient import substitution and protection measures for domestic agricultural producers to expand the export of competitive agricultural products (Zhakupov Y.K., Berzhanova A.M., Mukhanova G.K. et al.) [15].

Agriculture Kazakhstan should specialize only in products that can be competitive in the foreign market. There is no point in producing a product unless it is competitive with cheap, quality imports.

The main issue that greatly affects the expansion of market lending to agriculture is the state's lending to farms at a rate lower than the market rate. Discount lending means unfair competition on the part of the state.

We believe that lending to businesses and households at below-market rates, especially loans from development institutions, should be stopped immediately. At the same time, we do not want the state to stop helping businesses. If the state wants to support a certain sector of the economy with cheaper financing, it can do so, but without disrupting market relations in the financial system. For this, the market interest rate should be subsidized directly from the state budget to the borrower.

In order to preserve competition and market pricing in the financial system, banks and development institutions should borrow and lend money only on market terms. In this case, the borrower seeks to obtain loans from banks and state development institutions only at the market rate. In such a situation, banks can replace agricultural development institutions and compete with each other to provide better conditions for agricultural producers.

Discussions

The research results show that the investment activity of the enterprise is regarded as a process that includes the movement of investments based on the use of financial, labor and material resources under the influence of various factors, scientific and technical progress and the reproduction process. resources aimed at increasing capital, expanding production, modernization and technical reequipment.

To ensure the full functioning and development of rural areas, regional bodies at the legislative and executive levels should contribute to creating a favorable investment climate. Investments in agriculture remain one of the urgent problems of the development of the rural economy. In most rural areas, agricultural organizations are the only productive structures that make up the village.

The agricultural sector has traditionally subsidized throughout the world; in this regard, the role of the state and local governments in shaping the investment climate for this industry, taking into account the specifics of each region of the country, is especially important.

To organize the attraction and development of investment resources, it is necessary to use regulatory methods aimed at increasing the efficiency of investment activities, which must correspond to the appropriate level of development of the agricultural sector. Issues of regulation of investment activities in agriculture

are key in the implementation of national goals and interests of state policy.

At the state level, a number of measures are being implemented to increase investment activity in agriculture, such as reducing the high price of credit resources for industry, state support mechanisms (subsidy of investment loans), as well as mechanisms of financing and selection of projects - one of the important projects for the modernization of rural infrastructure and the construction of industrial and social facilities. However, the effectiveness of the implementation of the state program for the development of agriculture in budget-subsidized regions remains low and the target indicators for the increase in food production volumes have not achieved.

Conclusion

The scientific research conducted allowed us to draw the following conclusions:

1. Analysis of the state of investments in agricultural enterprises of Kazakhstan shows a lack of financial investments for the sustainable development of the agricultural sector.
2. The decrease in production volume can only be overcome through large targeted investments in agriculture by both the state and private investors.
3. Success in the development of agriculture in most cases depends on the implementation of advanced results of scientific and technical progress in production, intensification of production and organization of work.
4. The government should complement the market infrastructure with new institutions aimed at creating technical and investment policy in key sectors of industry and agriculture, ensuring inter-industrial capital movement and creating a favorable investment climate in the economy of the country.
5. State funds on a non-refundable basis should be allocated to the implementation of production and social infrastructure programs in rural areas for training personnel, including mass professions, implementation of environmental measures, and investments in the sphere of production and processing, logistics on a competitive and repayable basis.

Author's contribution: Kaldiyarov Daniyar: defining the purpose and objectives of the study, choosing research methods, studying the problems of competitiveness of agro-industrial complex; Urinboyev Rustamjon: conducting the study according to the set objectives, conducting a comparative analysis for the application of foreign experience, discussing the results of the study; Bedelbayeva Assel: summarizing and discussing the results of the

study, editorial and technical work on writing the results of the study.

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