

**ISSUES OF IMPROVING THE ATTRACTION OF FOREIGN INVESTMENTS
TO THE NATIONAL ECONOMY**

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Annotation

The processes associated with attracting foreign investment in the national economy and improving the ways of their effective use are studied. Existing shortcomings were identified in terms of ways to attract and effectively use foreign investment. Scientific proposals and practical recommendations for improving the system of attracting foreign investment in the national economy are formulated.

Keywords: foreign investment, investment activity, foreign direct investment, benefits, gross domestic product.

Introduction

The experience of the countries of the world shows that the active attraction of foreign investment in the country's economy is one of the most important factors in ensuring economic development. This issue is primarily related to the investment attractiveness of the country, the conditions created for foreign investors, and the investment policy pursued in the country. Once again, economic investments are being made in the country that ensure the development of the country's economy, the development and development of the economy, the restoration of technology and the development of product competitiveness. ishlab chikarish, minerals and agriculture deep-rooted production Burisha Yukrt Technologist Ishlaba Chikrisha, country-rolling export competence of Oshirish to provide capabilities for armaments.

Ensuring the effectiveness of such an opportunity and the economic and social reforms aimed at achieving it is also directly related to the extent and in what forms they are involved. According to the United Nations Conference on Trade and Development (UNCTAD), the volume (flow) of foreign investment in all countries has declined due to the crisis caused by the Covid-19 pandemic" [1]. "However, the largest losses occurred in advanced economies, and this figure decreased by 80% in European countries and by 40% in the United States" [2]. For this reason, most countries of the world pay special attention to ensuring economic and social development through the active attraction of foreign investment, especially foreign direct investment.

Literature Analysis

And foreign investments are resources that are expected to bring a high level of income compared to domestic investment in the economy of a completely different country [3].



Foreign investments are foreign investments in the imposition of assets of various manifestations (movable, immovable property, intellectual property, etc.) and income received from them (profit, interest, dividends, licensing and commission fees, royalties, technical support and other remuneration) to recipient countries of capital in order to future profits [4]. Foreign investment is the binding of the capital of one subject of the economy to another economy for a certain period, characterized by a change in legal conditions, the investment environment, differing in the breadth of risks from domestic investments, and as a result, capital migration between countries and regions occurs [5].

Foreign investment is all property, financial, intellectual, which mobilizes a certain capital from one economy to various sectors of the economy of another country, not prohibited by law, by foreign owners, for a certain period of time in order to achieve their own benefit and achieve a relatively high level of efficiency [6].

The legislation also contains a specific definition of foreign investment. For example, the Law of the Republic of Uzbekistan "On Investments and Investment Activities" defines them as follows: "foreign investments are tangible and intangible assets and rights to them that are invested by a foreign investor in objects of the social sphere, entrepreneurship, scientific and other activities, including rights to intellectual property objects, as well as reinvestment [7].

Research Methodology

The article uses such methods as scientific abstraction, expert evaluation, induction and deduction, system analysis of socio-economic phenomena, economic and statistical analysis, comparative analysis.

Analysis and Discussion of the Results

It is known that the increase in the volume of foreign investment in the national economy is of great importance. The real essence of our study is to study ways to increase the volume of foreign investment in the economy of Uzbekistan, analyze the influencing factors and develop proposals and recommendations based on the generalization of the results obtained.

In 2016-2020, the share of foreign direct investment in the country's GDP had a growth rate. In particular, in 2020, this figure was 5.03 percent, an increase of 2.5 percent compared to 2016 [8].

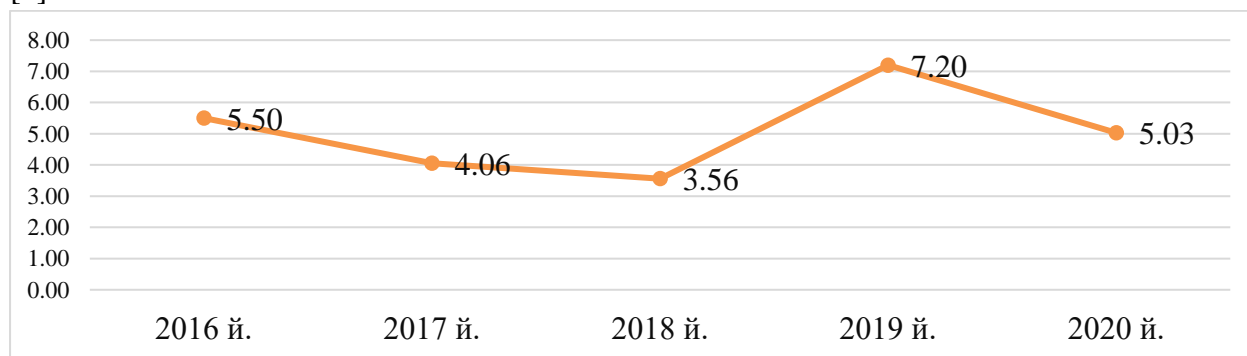


Figure 1. Share of foreign direct investment in the country's gross domestic product (percentage) [9]



In turn, the growth in the share of foreign direct investment in the country's GDP indicates that the number of joint ventures created in Uzbekistan with foreign countries is increasing. From 2018, the minimum share of foreign investment in the authorized capital of enterprises with foreign investments will be reduced from 30 percent to 15 percent, the requirement for the participation of a foreign legal entity as a participant in an enterprise with foreign investments will be abolished. The minimum size of the authorized capital of this type of enterprise will be reduced from 600 million soums to 400 million soums, the fact that it was reduced in soums and the size of the state fee for state registration of enterprises with foreign investments was reduced three times [10], tax benefits depending on the volume of foreign investment [11] became important in attracting foreign investment.

For example, in 2020, the number of enterprises with foreign investments in Uzbekistan was 12,300, in 2016 this figure was only 5,147, that is, the number of these enterprises for 2016-2020 increased by 2.4 times (the total number of joint ventures created with foreign partners is 21 percent in the Russian Federation, 17 percent in the People's Republic of China, 14 percent in Turkey, 9 percent - Kazakhstan, 8 percent - South Korea, the rest - to other developed and developing countries) [12].

However, the underdevelopment of the stock market in our country negatively affects the attraction of foreign investment in the form of portfolios. For example, the portfolio of foreign investments attracted to Uzbekistan during 2016-2020 has growth rates, but their volume is not at the level of demand. In 2020, the share of this type of investment in GDP was only 0.41 percent. In this regard, it should be noted the weak state of attracting direct and portfolio foreign investment in the national economy, and this situation puts on the agenda the need to improve the mechanism for attracting foreign investment.

At the same time, given that the above information was received for the whole of Uzbekistan, the issue should be considered on the example of the regions, and information reflecting the current situation in the regions of our republic is presented in Table 1. Differences in the weight of foreign investment in the regions of the republic (both high and low share) indicate that the economic and investment potential of each administrative district, the level of development of entrepreneurship and other factors are different.

In particular, the average level of foreign investment attracted to the republic in 2016-2020 is 24.28% in Bukhara region, 21.28% in Kashkadarya region, 12.74% in Tashkent and 6.86% in the Republic of Karakalpakstan, which is higher than in other regions. The growing volume of foreign investment during 2016-2020 in Samarkand region, which is considered the object of research, has the character of rigidity (stability). Because this is observed in all years in this range (with the exception of the 2017 indicator).

However, in 2016-2020, Samarkand region received only 1.12 percent (average level) of the total volume of foreign investment attracted to the regions of the republic. This indicates the insufficient use of the investment and economic potential of the region.

Table 1 Resource requirements by component Dynamics of foreign investments in the regions of Uzbekistan in 2016-2020 (percentage) [13]

№	Name of regions	2016 year	2017 year	2018 year	2019 year	2020 year
1.	Andijan region	1,0	1,2	2,8	2,9	2,7
2.	Bukhara region	29,2	50,6	13,4	14,2	14
3.	Jizzakh region	1,0	0,8	1,3	1,2	1,1
4.	Kashkadarya region	18,9	12,0	26,6	24,3	24,6
5.	Navoi region	1,4	2,4	11,7	10,8	11
6.	Namangan region	6,0	6,7	9,0	8,5	7,8
7.	Samarkand region	0,8	0,7	1,2	1,4	1,5
8.	Surkhandarya region	2,0	3,1	5,7	5,8	5,5
9.	Syrdarya region	1,0	0,5	0,8	0,7	1
10.	Tashkent city	14,3	13,2	12,0	11,7	12,5
11.	Tashkent region	5,5	4,8	5,6	6,2	5,9
12.	Fergana region	2,2	1,2	4,0	5,1	4,8
13.	Khorezm region	0,8	1,2	1,1	1,3	1,5
14.	Republic of Karakalpakstan	15,9	1,6	4,8	5,9	6,1
Altogether		100	100	100	100	100

According to the results of the study, the implementation of the following measures will develop the attraction of foreign investment in the economy of Uzbekistan:

Based on the best practices of developed and developing countries, in order to increase the volume of attracting foreign direct investment in the territory of the republic and in the sector of the economy, the creation of special economic zones as the main directions for increasing the investment attractiveness of Uzbekistan, increasing the investment attractiveness of these zones, the economic and social infrastructure at the expense of the state budget should be organized at the expense.

According to the best practices of developed and developing countries, one of the important areas of active attraction of foreign investment is the creation of special economic zones and their functioning. At the same time, the main measures to attract foreign investment in these zones are: complete exemption of imported products from customs duties; tax reduction (abolition); creation of privileges for the lease of territories and infrastructure facilities; application of accelerated depreciation of fixed assets; Reduce resource usage fees. provision of more attractive conditions for lending and insurance; visa simplification (investment visa); creation of modern infrastructure (production, social and market infrastructure); availability of raw materials (proximity to the enterprise); the availability of a sufficiently skilled workforce; it is possible to note such moments as the possibility of a convenient location taking into account foreign consumers, strengthening the country's position in international ratings.

In our opinion, with the active attraction of foreign investment in the economy of our country, it is advisable to pay special attention to the following:



- Take all necessary measures aimed at curbing inflation and accelerating the transition to the inflation targeting regime planned by the Central Bank in order to contain inflation. In addition, improving the system for preventing the negative impact of inflation on investment projects;
- improvement of the system of providing greater convenience to investors and increasing their interest in investing in the economy of Uzbekistan;
- improvement of the system of granting benefits and preferences to foreign investors who supply world-class equipment and technologies to our republic and contribute to the creation of a modern structure of the economy;
- installation of high-tech, modern equipment, energy-efficient and little harm to the environment;
- introduction of advanced foreign technologies suitable for local conditions, stimulation of domestic inventions and investment in the knowledge economy (human capital).

Today, in order to develop a wider attraction of foreign investment in our economy, in order to attract foreign investors to spend their funds on the development of the country's economy, preferential financial conditions have been created for them on the basis of the law, including:

- guarantees of preservation of the capital of foreign investors;
- indemnification guarantees;
- benefits established for them in the taxation system;
- freedom to export profits and income abroad;
- the possibility of transferring and withdrawing profits received in soums and foreign currency;
- creation of a system of insurance protection of the property of foreign investors and their own risk.

Conclusions and Suggestions

In our opinion, in order to improve the attraction of foreign investment in the economy of Uzbekistan, it would be advisable to ensure the practical implementation of the following tasks:

- state insurance of investors' investments, the formation of program platforms aimed at assessing the existing conditions and opportunities for attracting foreign investment to the regions;
- improving the regulatory framework for attracting foreign investment to the regions and providing tax preferences for their development, broad incentives to increase the share of tax revenues remaining in the region;
- ensuring the practical implementation of the tasks of restructuring the internal structure of industries, directing foreign investment in the production of industrial products and advanced technologies for obtaining high-quality industrial products;
- the use of various models of methods of legal regulation of state support for investment activities, the formation of a system of digital investment services with the unification of legislation on investment activities;



- use of the mechanism of public-private partnership, which provides international technology transfer for investment projects, optimization of an effective project risk management system in the implementation of an integrated investment project management system, etc.

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