

WORLD EXPERIENCE IN OVERCOMING FOREIGN INVESTMENT ATTRACTION AND FACTORS AFFECTING FOREIGN INVESTMENT ATTRACTION

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A B S T R A C T	KEY WORDS
The dynamics of indicators determining the role of investment in the development of the economy is analyzed. Sources of financing investments directed at fixed capital have been considered. The factors influencing the attraction of foreign investment and world experience in eliminating them are also studied.	Investment, foreign investment, foreign experience, gross domestic product, foreign direct investment.

Introduction

The socio-economic development of the Republic of Uzbekistan and its transformation into one of the most competitive countries of the world are directly linked with the ongoing investment policy aimed at increasing the investment attractiveness of individual enterprises in the country, the region and its economy. At the same time, it should be noted that the investment policy of the state includes a set of measures to be implemented for the development of priority sectors of the country's economy and the transition from centralized investment processes to decentralized investment processes. That means, in turn, reforms aimed at increasing investment attractiveness, which is the basis for the formation of favorable investment climate in the country, which plays an important role in attracting various types of investments.

Foreign investment is one of the main drivers of economic development and is of important importance for stabilizing the regional economy, job creation and innovative development. In the development of the regional economy, strategies for attracting foreign investment, as well as the issues of their impact and successful integration into the economy deserve special attention. This article analyzes the main methods of attracting foreign investment into the economy of the region and its economic significance. Foreign investment is economic activities carried out in a country or region through funds, technology, knowledge or resources received from foreign countries or foreign companies, especially in industry, infrastructure, finance and other sectors. Foreign investment helps modernize the economy, create new jobs, increase production efficiency, and integrate with international markets.

Effective organization of regional governance and economic policy is necessary to attract foreign investment. This process can be done through the following ways: Tax incentives and other incentives:

In order to attract investment, it is necessary to provide tax breaks, lower tax rates in certain territories, or create various incentive mechanisms. This creates favorable conditions for foreign companies. Investment Environment: The investment environment and the stability of the legal and institutional framework are important factors in reassuring investors. There is a need to create a free and transparent system for foreign investors, to establish effective decision-making systems. Infrastructure and Logistics: Infrastructure development, efficient operation of transport and communication systems play an important role in attracting foreign investment in the region. A well-developed logistics system makes it easier to get products to the international market. Special economic zones and clusters: Special economic zones and industrial clusters can be established to attract foreign investment. In such zones, it is easier to attract investment through tax incentives, affordable labor and infrastructure opportunities.

Foreign investment affects the regional economy in various ways: Technological growth: Foreign investment brings innovation and advanced technology, which helps to improve production efficiency, develop new industries, and increase export potential. Job Creation: Foreign investment creates new jobs. This, in turn, will increase the employment rate of the region and increase the income of the residents. Increase exports: Foreign investment increases export potential. Through the investment, regional industrial development can establish the production of quality products and produce products to new markets. Economic Stability: Foreign investment provides economic stability as it brings additional income to the economic systems of a country and region through various sources and resources.

Analysis and Results

World practice and rich foreign experience confirm that countries undergoing a transition to a market economy will not be able to successfully integrate into the world economic community without forming a favorable investment environment and actively promoting foreign investment into the national economy. To this end, Uzbekistan is taking measures to create real conditions for intensifying the process of attracting foreign investment into the country's economy. The significant year-on-year growth in the volume of investment in the economy allows it to inevitably show its positive results through an increase in the volume of national production. As a result of government attention and support for investment activity, the volume of gross domestic product (GDP) and the amount of investments gained growth. In particular, in the period 2019-2023, the volume of investments had an absolute growth rate. During these years, GDP increased by 1.58 times, and investments in fixed assets increased by 1.53 times (Table 1).

1-table Dynamics of indicators determining the role of investment in the development of the economy

Indicators	2019 year	2020 year	2021 year	2022 year	2023 year
Gross domestic product, billion UZS	511838,1	580203,0	734632,9	766956,7	809906,3
Included in fixed capital Investments, billion UZS	189924,3	210195,4	244963,3	266654,4	289876,8
Construction works, in billions of soums	68854,4	37548,4	45802,7	49876,7	52876,1
External trade turnover (mln) USA. (Dollars)	42177,8	36256	42072	45110	47408
Exports, (mln. USA. (Dollars)	17901,7	15102	16611	17987	18976
Import, (mln. USA. (Dollars)	24276,1	21154	25461	27123	28432
Saldo, (Mln. USA. (Dollars)	-6374,4	-6052	-8850	-9136	-9456

The attitude and assessments of international and foreign experts and specialists to the implementation of an effective investment policy in our country testify to the correct and effective implementation of economic reforms of our country.

2- table Sources of financing of fixed capital oriented investments, amounted to millions of US dollars

Indicators	2020 Year	2021 Year	2022 Year	2023 Year	Growth in 2023 compared to 2020	
					(+,-)	%
Investments in fixed capital	210195,4	244963,3	266654,4	289876,8	79681,4	137,9
including:						
Centralized Investments:	49876,2	54675,1	57123,2	61987,1	12110,9	124,3
Budget funds	14897,1	18765,1	19321,1	19843,1	4946,0	133,2
State trust funds	x	x	x	x	x	x
Children's Sports Development Fund	x	x	x	x	x	x
Foundation for the Development of Physical Culture and Sport	26,1	54,2	61,1	67,9	41,8	260,2
Fund for Development of Water Supply and Sewerage Systems	1234,1	1967,1	2156,1	2314,8	1080,7	187,6
Fund for Reconstruction and Development	6734,1	8287,1	8402,2	8675,9	1941,8	128,8
Loans under guarantee of the Republic of Uzbekistan	25437,1	32456,1	36761,3	39876,9	14331,9	156,8
Decentralized Investments:	160319,2	190288,2	209531,2	227889,7	67570,5	142,1
Enterprise funds	43231,0	45342,3	46767,6	47878,6	46476,0	110,8
Population funding	14567,2	18092,1	19786,2	21123,8	6556,6	145,0
Foreign Direct Investment and Credit	52432,1	59875,3	64985,1	69217,2	16785,1	132,0
Loans and other debt of commercial banks	22134,0	27890,0	31879,0	34234,0	12100,0	154,7

This table, which reflects the structural structure by regions of the country and sources of financing investments directed to sectors of the economy, shows that positive changes have taken place in recent years. If we analyze the sources of financing investments directed at fixed capital in the Republic of Uzbekistan, the total volume of investments directed at fixed capital in 2020 amounted to 210195.4 million US dollars, and by 2023 amounted to 289876.8 million US dollars, which indicates that their volume in 2023 increased by 1.37 times.

However, there are also a number of challenges in attracting foreign investment. These include: Risks and uncertainty: Political unrest, uncertainty of the legal system, or economic instability can be of concern to foreign investors. This has a negative impact on the influx of investment. Limited infrastructure and resources: The availability of advanced infrastructure and resources in the region is important to attract investment. In some regions, these resource constraints make it difficult to attract foreign investment. Local competition and industry specificity: Foreign investors may also be affected by local competition and labor market problems. Further optimization of the local economy is

necessary to create competitive conditions.

The concept of the law "On investments and investment activities" says that Uzbekistan is rapidly implementing tax policy and tax and tariff management reforms aimed at reducing the tax burden for investors and supporting a healthy competition environment.

At the same time, the lack of support for investor initiatives at all levels, especially in the field, the lack of clear coordination of the activities of ministries and departments in this regard, the fact that there are still bureaucratic obstacles and obstacles, hinders the strengthening of confidence in the consistency of state policies to shape a favorable investment climate.

The increasing number of new enterprises with the participation of foreign investment is the result of the great attention of the state to this area and the convenience provided to them. In this regard, one of the most important issues is economic stimulation of enterprises attracting foreign investment in our country and creating the necessary conditions for them. Therefore, in order to intensify the attraction of foreign investment in our national economy, it is necessary to take the following measures: Firstly, to constantly improve the regulatory and legal framework for attracting and developing investments, secondly, to develop additional measures to increase the investment attractiveness of the regions, and thirdly, to attract investment, industry that complies with international norms and conventions constant striving to create legal conditions that are recognized by investors in developed countries and the use of international best practices; Fourth, it is necessary to reduce the impact of inflation on the value growth of investment projects, as well as to further increase the volume of foreign investment; Fifth, attracting investment to the real sphere of production, that is, to sectors that process raw materials; Sixth is to further improve the incentive system in order to create a more favorable investment climate for foreign investors, in particular, to reduce the tax burden and simplify the tax system even for investors; The seventh is to improve the system for the implementation of mutually beneficial projects with foreign economic entities and the creation of free investment economic zones with them; Eighth, systematic industrial development by attracting investors to places where the infrastructure is available and favorable for development; Ninth, strengthening efforts to attract long-term, low-interest foreign direct credit resources; Tenth, based on foreign experience, creation of funds with state support of foreign investors.

Conclusion

In conclusion, attracting foreign investment to the region's economy is an important aspect of the economic development of the country and the region, which plays a major role in innovation, job creation and ensuring economic stability. Thus, the strength of political, economic and legal systems, infrastructure development and improvement of regional economic conditions are of particular importance in attracting foreign investment. Thanks to the created conditions, it will be possible to increase the attractiveness for foreign investors and ensure economic stability.

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