

ECONOMIC INITIATIVES OF THE NEW UZBEKISTAN: INVESTMENTS, PARTNERSHIPS, AND DEVELOPMENT

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ABSTRACT	KEY WORDS
<p>This article sheds light on the current state of economic development in Uzbekistan and its strategic initiatives in attracting foreign investments, developing technological sectors, and modernizing infrastructure. Key directions of economic policy are discussed, such as the development of priority investment projects, digital transformation, and the enhancement of transportation infrastructure.</p>	<p>Uzbekistan, economic development, foreign investments, technological innovations, infrastructure projects, digital transformation, transportation infrastructure, global partnership.</p>

Introduction

The New Uzbekistan is a dynamically growing country that is modernizing all sectors without exception. By installing reform efforts in each sphere, it prioritizes the interests of its people, expands international economic partnerships, and actively engages in global trade and cooperation processes. The country is trusted and confidently invested in. The powerful drivers of these processes are summits, forums, and high-level dialogues, which allow for the identification of new directions in international and bilateral partnerships. Tashkent, in particular, has once again become the epicenter of events of special significance. These days, the capital is hosting participants of the third Tashkent International Investment Forum – a key event not only for the new Uzbekistan but also for the region as a whole. Each participant can find points of intersection of interests, study specific investment cases, discuss the latest trends in dozens of different spheres, and consider advantageous prospective offers. Moreover, this is an excellent opportunity to present Uzbekistan's potential as a country that, amidst

economic turbulence globally, continues to demonstrate stable growth, evolving into a true investment hub in Central Asia.

At the plenary session of the third Tashkent International Investment Forum held in the capital congress, the President of the Republic of Uzbekistan, Sh. Mirziyoyev, personally participated. The event also saw the participation of the Vice President of the Republic of Turkey, the Speaker of the Parliament of Singapore, the Prime Minister of Kyrgyzstan, the Minister of Energy of Saudi Arabia, the President of the European Bank for Reconstruction and Development, the Deputy Secretary-General of the United Nations, the President of the International Development Fund of OPEC, and others. The plenary session was moderated by the world-renowned British journalist and CNN correspondent, Richard Quest. Overall, over two and a half thousand foreign guests from ninety-three countries attended.

Initiated by the President of the Republic of Uzbekistan, the international forum over the past 3 years has become an effective platform for expanding bilateral and multilateral investment cooperation, discussing the most pressing issues, and developing advanced ideas and approaches to address them. At the beginning of his speech, the head of our state welcomed the session participants, noting that the twofold increase in the number of participants compared to the first forum is an important indicator of success and testifies to the increased authority and demand for this format. It was noted that today's events are taking place against the backdrop of heightened systemic problems in global politics and the world economy, risks, and threats to sustainable development.

Deep transformational processes are taking place in the global order, and the instability of the situation clearly indicates disruptions in the supply chain of goods and services, a decline in international trade, a reduction in investment flows, and an intensification of climate change. The President of our country emphasized that over the past three years, global economic growth has slowed down, and the expectations of the growth trend in foreign direct investment are not being met. For example, in 2023, the total volume of investments in developing countries decreased by 9%. "Of course, we understand well that there is serious competition for investors in the world today," Sh. Mirziyoyev said. However, it is becoming increasingly evident that one immutable truth remains: no country can address such acute problems alone. "The spirit of trust and respect, the principle of mutual support, remain a solid foundation for long-term cooperation," noted the Leader of Uzbekistan.

Enumerating decisive steps towards a radical improvement of the investment and business environment, he emphasized that in our country, barriers along this path are gradually being eliminated. A comprehensive reform is being implemented to ensure that every investor feels free and confident. As a result, over the past years, the country's economy has doubled, with a growth rate of 6% last year, and the inflation rate has decreased to 9%. Trade turnover indicators are steadily increasing, maintaining stability in the exchange rate of currency and foreign exchange reserves. Over the past years, over 60 billion dollars of foreign investments have been attracted, with more than 14 billion dollars in funds from international financial institutions allocated to the social sphere and infrastructure development. Just last year, the volume of investments almost doubled.

The launch of over 300 investment and industrial projects with major companies and brands such as Aqua Power, Masdar, Total Eren, Wal Taliya, Çalık, and Aksa in energy; Air Products, Indorama, and Incos in the chemical industry; Aran and Danieli in mining and metallurgical industries; BYD, KIA, and Samsung in automotive and electrical engineering; Köch, Knauf in the construction industry has

been notably highlighted with great satisfaction. This has resulted in the creation of hundreds of thousands of new jobs. Within the framework of the current forum, new large-scale projects will be initiated with industry leaders such as Linde, Rascol, DataVolt, Banapharm, PAŞA Holding, and other partners. The decisions made and the work carried out towards further economic liberalization, creating a favorable investment climate, and expanding opportunities for conducting business were emphasized. This includes preferences for foreign investors in dividend tax, strengthening legal foundations, expanding privatization programs, implementing entrepreneur sustainability ratings, developing industrial zone infrastructure, and implementing a transparent land allocation system. Additionally, plans are underway to extend project implementation conditions based on public-private partnerships to the social sphere and infrastructure.

Work on harmonizing national legislation as part of efforts to join the World Trade Organization for fair dispute resolution is gaining momentum. The Tashkent International Arbitration Center is functioning, and a national strategy to combat corruption until 2030 is being developed.

Another important indicator for investors is that over the past 7 years, higher education coverage has increased from 9 to 42%. The number of higher educational institutions has exceeded 200. Uzbekistan operates a visa-free regime for travel to more than ninety countries. "Our goal is to make Uzbekistan a reliable and long-term partner for foreign investors," stated the President of Uzbekistan.

The state guarantees the development of market relations, reliable protection of investor rights, further improvement of a favorable investment and business environment, the creation of broader opportunities and conditions for fair competition, ensuring the inviolability of private property, and the independence of the judicial system. All these principles are firmly entrenched in the new constitution adopted in last year's nationwide referendum.

The leader of Uzbekistan outlined a number of specific proposals aimed at strengthening investor rights protection. In particular, in accordance with WTO rules and standards, a draft investment law has been developed. The country's first international commercial court will soon begin its operations. The introduction of a completely new industrial zone activity system will create even more favorable conditions for high-tech investment projects. In this context, it is proposed to simplify all restrictions on the duration of special economic zone activities and extend the land lease term to foreign investors from the current 25 to 49 years. Overall, within the framework of Uzbekistan's 2030 strategy, the goal is to double per capita income by 2030 and rank among countries with above-average income levels.

In his address, the head of our state emphasized priority areas for expanding mutually beneficial cooperation with foreign investors. Firstly, green energy and increasing energy sector efficiency were highlighted as crucial for the entire region. Currently, 28 projects are being implemented in this direction, with the goal of creating over 20 gigawatts of renewable energy capacity by 2030 and increasing its share in the energy balance to 40%. Large wind and solar energy facilities are being developed in collaboration with strategic partners. Work has also begun in the field of green hydrogen. Just last year, together with companies like Masdar, Gejuba, and China Energy, we launched large wind and solar power stations with a capacity of 1.4 gigawatts. Additionally, during the forum, projects for the joint construction of hydroelectric power stations in neighboring Kyrgyzstan and Tajikistan will be presented, emphasizing that these projects are implemented based on public-private partnerships.

The leader of our country invited leading companies from all countries to engage in open dialogue and practical cooperation.

Secondly, in the banking and financial sector: as a result of reforms in Uzbekistan, the number of private banks has increased, leading European banks have entered our market, and a range of digital banks has emerged. An agreement on the privatization of one of Uzbekistan's large banks, Asakabank, was signed with the European Bank for Reconstruction and Development during the forum. Active processes of transformation and privatization of other major banks are underway with international financial corporations and Asian development banks, approaches to capital market development are being revised, and international financing instruments are being developed.

Thirdly, among the priorities for mutually beneficial partnership is the joint development of mineral resources. Uzbekistan possesses vast reserves of mineral resources and critical metals. There is significant potential in gold, copper, tungsten, silver, uranium, and over 30 rare earth metals. Strategic cooperation with the European Union in the field of critical raw materials has been established. The President of our country announced the development of similar agreements with the USA and the UK and invited leading companies to partnership in the field of deep processing of strategic raw materials and value chain creation. The adoption of a minerals law based on international experience will also give new impetus to development.

Fourthly, digital transformation of the country: Over the past years, the export of IT services and software products has doubled. The goal is to reach an export volume of five billion dollars. The head of state highlighted the opportunities for foreign investors to participate in the implementation of promising IT projects, including the development of digital solutions for the economy, AI technology integration, and the establishment of green data centers.

Special attention was paid by the President of Uzbekistan to the development of transportation infrastructure. Radical reforms are underway in the railway sector, providing ample opportunities for private investors in the construction of highways and high-speed railways. Projects for the development of existing and construction of new international airports are being prepared. It was noted that work has begun with foreign partners on the construction of railways such as China-Kyrgyzstan-Uzbekistan and Uzbekistan-Afghanistan-Pakistan, which will fundamentally change the geo-economic landscape of the region and turn Central Asia into a global transit hub, connecting the north and south, east and west.

Uzbekistan invites investors and international organizations to participate in these major regional projects. Investments are the engine of transformation for our country and a strong driver of economic development. In conclusion, the head of our state expressed confidence that the investment forum and the favorable negotiations taking place during it will elevate practical cooperation to an entirely new, even higher level.

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