

CREATING A FAVORABLE INVESTMENT ENVIRONMENT TO ATTRACT FOREIGN INVESTMENTS INTO ECONOMIC NETWORKS IN UZBEKISTAN

Ahmedova Feruza Khakimovna

Bukhara State University,

Lecturer at the Department of Agribusiness and Agrologistics

ANNOTATION

This article provides analytical information on creating a favorable investment environment for attracting foreign investment in the sectors of the economy of Uzbekistan.

Keywords: Investment environment, investment and innovation activity, leasing, economic stability, foreign investor, political and commercial risks.

The investment environment is defined as a concept that covers the social, economic, organizational, political and legal aspects of a given area when attracting investments in a particular area. Agreeing with this theoretical view, we can say that the investment climate should be created only by beneficial factors, but, as you know, the opposite circumstances can also influence the investment climate, which was missed by the researcher. In studies, it can be found that the investment environment is created by assessing the environment, taking into account the integral characteristics of the situation in the country over many years. The importance of generalizing positive and negative situations in assessing the investment environment is noted. In our opinion, when evaluating the investment environment in terms of its integral characteristics, it is necessary to pay attention to mathematical and statistical data. The investment environment is an objective situation for any particular time and includes a set of existing conditions for investing capital. But the investment environment is formed under the influence of the management activities of state bodies, so the investment policy of the state is one of the most important factors. In this sense, each country will have its own system of accepting capital when capital is imported. The capital admission system is a set of government policies, laws and regulations regarding foreign capital.

The main goal of investment and innovation activity in the economy is to create optimal conditions for the development and accelerate the use of innovative opportunities based on investment. It is also necessary to take into account the nature and forms of organizational and economic mechanisms when investing in various sectors of the economy. The efficiency of investment and innovation activities is ensured by the system of the investment complex, which includes leasing, insurance, research institutes, information and consulting services, banks and other organizations.

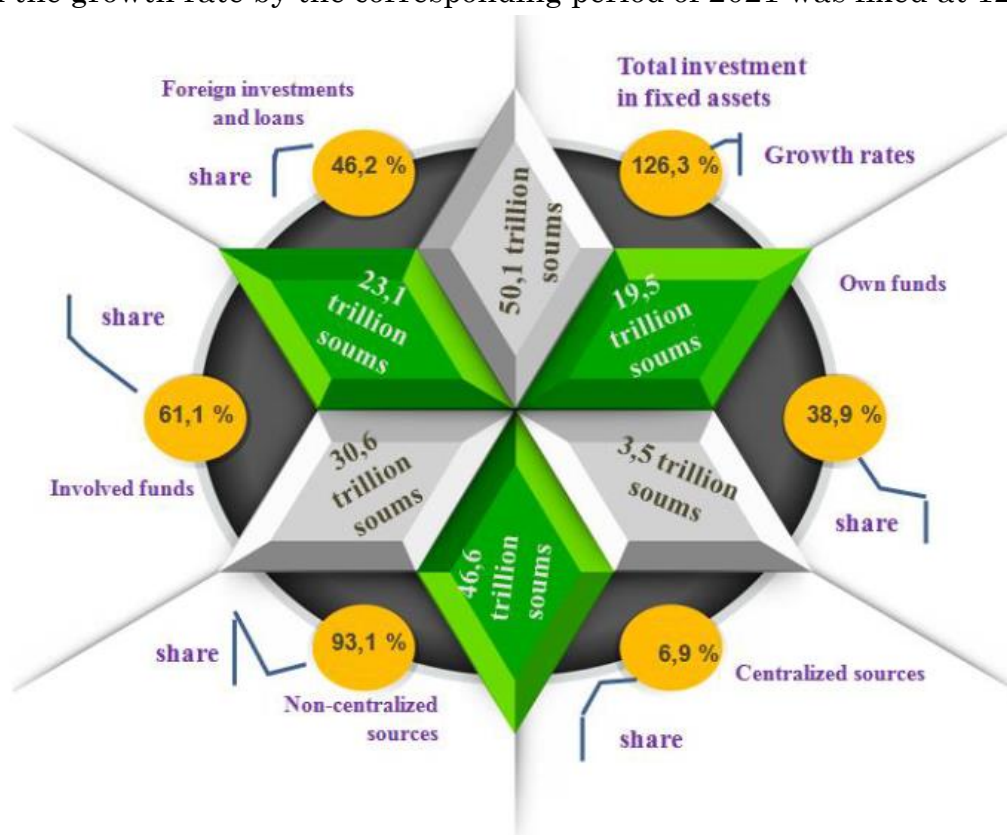
With state support for development and stimulation of investment and innovation, attention should be paid to the following:

- intensification of leasing activities, which in turn alleviates the shortage of financial resources, makes it possible to make leasing payments according to a set schedule and under simplified contracts and schemes, brings together the mutual interests of the state and leasing companies, and ultimately creates optimal economic and legal conditions for reducing risk and increasing economic efficiency in the network;

- provision of budget credits, investment tax credits, subsidization of interest rates on credits;
- introduction of preferential tax payments;
- formation of state programs for the development of various sectors of the economy.

In Uzbekistan, the system of obtaining capital for production is being improved every year. Currently, laws and decisions based on the rules of modern international economic relations regarding foreign investment are being developed, as well as infrastructures for foreign investment are being created. All of the above factors are important for a foreign investor.

For the development of the economy and social sphere of the Republic of Uzbekistan in January-March 2022, 50,1 trillion soums of investments in fixed assets were disbursed from all sources of financing. In dollar terms, they amounted to 4,6 billion US dollars, and the growth rate by the corresponding period of 2021 was fixed at 126,3%¹.



In particular, the state guarantees that the income of foreign investors received as a result of their legal activities can be transferred across the border in foreign currency in unlimited quantities. Uzbekistan is developing consistent measures to create a favorable investment environment for the construction and financing of investment projects. They are based on two main factors:

- economic stability;
- Macroeconomic policy aimed at regulating inflationary processes and increasing the solvency of the national currency, soum. An important role in attracting temporarily free funds, including state funds, must be played by credit institutions, especially banks, which collect 80-90 per cent of organizations' funds. In the process of assessing the investment environment, the investor determines the level of investment risk. The worse the level of the investment

¹ file:///C:/Users/user/Downloads/4.Investments%20and%20construction-4.pdf

environment, the higher the investor determines his business risk. The investment environment can be described at the macroeconomic level in the form of the following figure.

1-Table.

The investment environment of the country and its determinants²

Factors	Content
Economic situation	State of the country's balance of payments, stability of the monetary system, development of foreign economic relations, size of the domestic market capacity, inflation rate, gross domestic product, industrial and agricultural products production growth rate
Legal basis	Availability of regulatory and legal documents, including the Laws of the Republic of Uzbekistan, decrees and resolutions of the President of the Republic, government resolutions, relevant regulatory legal acts that meet the new conditions and regulate the socio-economic development of the country and its individual sectors.
Natural raw materials Resources	Reserves of minerals, raw materials, fuel, energy and water resources, agriculture production volumes of agricultural raw materials
Labor force and employment	Number of economically active population, share of employed population, unemployment rate, income level of employees, staff qualification level, population literacy
Technical base of production	Fixed production assets, the level of production capacity utilization, the useful life of equipment, the level of depreciation of fixed assets.
Scientific and technical potential	Investments aimed at developing the economy, including the volume of foreign investment, the level of investment risks, the technical equipment of production, the use of scientific and technological achievements and the state of development of the field of research and development, product production of high-tech types with large fan capacity
Finance – credit system	Tax and credit policy, the level of utility and profitability of enterprises in the real sector of the economy, pricing policy
Infrastructure	The state of development of the banking system, the reliability of the transport network, communications and hotel industry, commodity and stock exchanges, marketing, consulting, audit services, the insurance industry
Ecological situation	The level of environmental pollution, background radiation, hazardous waste, natural climate and its change

In Uzbekistan, much attention was paid to enhancing the attraction of foreign investment, and in order to provide assistance and guarantees to investors, a system of certain benefits, conditions and guarantees in the field of investment, tax system and customs payments was formed. The formation of insurance, which is an integral part of such a system, made it possible to provide foreign investors with an insurance guarantee against political and commercial risks.

² Vaxabov A.V., Xajibakiev SH.X., Muminov N.G. Xorijiy investitsiyalar. O`quv qo`llanma. – T.: «Moliya»,2010. – B. 174.

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