

IMPROVING THE ATTRACTION OF FOREIGN INVESTMENT IN INDUSTRIES IN THE CONTEXT OF AN ACTIVE INVESTMENT POLICY IN OUR COUNTRY

M. Sh. Boltaeva,

Senior Lecturer, Bukhara State University, Bukhara

ANNOTATION

This article provides information on improving the attraction of foreign investment in industries in the context of an active investment policy in our country.

Keywords: Investment relations, investment activity, investment climate, investment projects, investment attractiveness, digital economy, investment policy.

INTRODUCTION

State regulation of investment relations is organized by creating legal conditions, providing guarantees for the implementation of this activity, insurance of the subjects of this activity and the implementation of public or state interests in other ways. The essence of investment relations is expressed in the scale and level of participants in this activity. The main directions of state regulation of investment activity in Uzbekistan are:

- 1) Improving the legal framework for investment activities.
- 2) application of a tax system that differentiates taxpayers and objects of taxation, tax rates and associated benefits.
- 3) Definition of norms, rules, standards.
- 4) Application of antimonopoly measures.
- 5) Determining the terms of ownership and use of credit policy and pricing policy and other natural resources.
- 6) Establishment of mechanisms for the examination of investment projects.

The regulation of investment activity from a legal point of view implies the norms for the formation of specific, complex, socially necessary economic (investment) relations between different owners regarding the reproduction of tangible and intangible assets. All subjects of the investment process become participants in these relations - from foreign investors to the state, legal entities and individuals, including foreign persons (residents and non-residents).

From the point of view of law, foreign investment is associated with the possession, use and disposal of capital in the territory of another country. From an economic point of view, their movement across territory, time and space may face many additional risks.

State regulation of investment activity in the republic is aimed primarily at the implementation of the economic, scientific, technical and social policy of the state. According to the laws of the Republic, foreign investments cannot be nationalized or transferred to the state. Foreign investments are not subject to requisition, except in cases of natural disasters, catastrophes and epidemics. Foreign investors are guaranteed the transfer of their profits and other funds received as a result of legal activities in foreign currency. In the legislation, concession agreements concluded by foreign investors with the competent government authorities, rapid economic changes have been taking place in Uzbekistan over the past few years, and the

international community is calling for openness, renewal and elimination of various barriers to doing business. and investment is increasingly emerging as one of the symbols of perseverance. For the effective implementation of the Law of the Republic of Uzbekistan "On investments and investment activities" 4, the interaction of state authorities consisting of deputy heads of the Ministry of Investments and Foreign Trade, akimats, diplomatic missions abroad and commercial banks with investors appeals of investors and exercise proper control over the effectiveness of measures provided for by law.

In this context, it is important to emphasize the role of the Council of Foreign Investors under the President of the Republic of Uzbekistan, created with the support of the European Bank for Reconstruction and Development and providing direct contact with investors working in the Republic. . The development of the International Arbitration Institute is also actively supported. In turn, this ensures the rule of law, which is an important and backbone component of the country's investment environment, and the proper fulfillment of obligations to state and local investors.

At the same time, world practice and experience show that it is no longer possible to solve the problems that hinder business investment and innovation by simple means, that is, by stimulating or publishing new declarative norms. Business liberalization is needed to boost private investment. It is necessary to work diligently to identify and overcome obstacles that hinder the development of individual sectors, to maintain a constant dialogue with business. In this regard, active work is being carried out in the following areas.

First of all, in order to maintain high and stable economic growth rates, it is necessary to create a sustainable and competitive model of the country's economy, in which most of the assets of the banking system are in the hands of private investors.

Secondly, in order to increase investment attractiveness and ensure the rapid growth of infrastructure investments, which are one of the main factors for sustainable economic growth, investment activities are actively promoted through the development of public-private partnerships and project financing instruments.

Thirdly, relations between investors and the state are being optimized in order to completely eliminate bureaucratic obstacles and restrictions in the implementation of investment projects through digitalization and remote provision of public services. In order to ensure maximum transparency and prevent corruption, the quality of the organization of work with appeals and requests from foreign investors is being improved.

Fourth, there is a decrease in transaction costs, which lead to the flow of labor and capital from the legal sectors of the economy to the shadow economy.

Fifthly, an investment policy strategy is being developed, focused on the most promising sectors of Uzbekistan, which can become a point of technological progress and create the basis for developing the country's production potential in the next 20-30 years.

Given that the investment climate affects all areas of activity in the country, the areas of reform are economic, institutional, education, healthcare, agriculture, water supply, energy, transport, and other covered areas. Much attention is also paid to the practical support of entrepreneurs and initiators of investment projects. The most striking example in this direction is the activities of the Government Commission for the Development of Exports and Investments, established in 2020, whose tasks include close cooperation with entrepreneurs and exporters,

analysis of problems associated with restrictions caused by the pandemic, it also includes the development and implementation of rapid and effective solutions based on an individual approach to solving the problems of each business entity. By the end of 2021, as a result of visiting events of the members of the Commission, the activities of more than 98,000 enterprises were studied, as a result, 6,235 problematic issues of 5,902 enterprises were identified. Each of the tasks was solved in close cooperation with the relevant ministries, departments, commercial banks, local authorities and diplomatic missions of the republic abroad. In addition, the following priorities were taken into account when developing a medium-term strategy for industrial and investment policy.

First, to ensure macroeconomic stability by strengthening macroeconomic institutions. Particular attention is paid to reducing inflation and ensuring price stability, accelerating the process of publishing macroeconomic data, and developing a long-term development concept (Concept-2030).

Secondly, complete tax reforms by adopting a new edition of the Tax Code of the Republic of Uzbekistan in accordance with international practice. In this regard, attention is paid to the implementation of medium-term budgeting of public expenditures and the procedure for approving the draft state budget in the form of a law in accordance with international practice, improving the activities of tax authorities and the tax system.

Thirdly, the issues of a sharp reduction in state participation in the economy by accelerating the process of privatization of state-owned enterprises. In this regard, we focus on the rapid implementation of institutional reforms in the field of public administration through the reorganization of sectors such as energy, transport and aviation.

Fourth, the tasks of improving and developing financial markets. It is planned to take measures to gradually reduce the state's share in the banking sector, expand the autonomy of the financial regulator, and increase the coverage of financial services. This, in turn, plays an important role in attracting foreign direct investment into the economy.

Fifth, in the continuation of structural transformations in the economy, first of all, emphasis is placed on the diversification of the industrial structure, the production of products with high added value through the deep processing of domestic raw materials. It is noted that one of the main tasks is to increase the share of reproducing industries by ensuring their competitiveness in the foreign and domestic markets.

In addition, it was emphasized that the task of the rapid development of the "digital economy" and the introduction of "Industry 4.0" (the fourth industrial revolution) into the economy will remain in the spotlight due to the widespread involvement of information technology in all areas of the economy. Economy.

It is known that the investment policy of the Republic of Uzbekistan until 2025 is aimed at strengthening investment activities in the country and improving the relevant environment. The document was developed on the basis of an analysis of world experience, trends and problems in the development of investment processes, the economy of the republic, its industries and regions. Until 2025, direct investment is expected to be the main source of investment, including public-private partnerships, government investment, and corporate securities. 80 billion in 2019-2025 as part of ongoing new investment projects and in the future. It is planned

to absorb decentralized investments worth more than US dollars. About 30 percent of them are financed from the own funds of enterprises.

As a result of the implementation of the above measures, the share of investment in fixed assets in GDP is expected to increase from 22% in 2018 to 28-30% in 2025. At the same time, the volume of foreign direct investment attracted in 2025 will amount to \$1.8 billion in 2018. US\$6.7 billion. it's US dollars.

"Strategy of the investment policy of the Republic of Uzbekistan until 2025", prepared by the Ministry of Economy and Industry of the Republic of Uzbekistan on the basis of international experience, analysis of trends and problems in the development of investment processes in the economy, industries and regions.

Table 1 Strategy of the investment policy of the Republic of Uzbekistan until 2025¹

Indicators	2018 year	2019-2025 year	2025 year
GDP, trillion soums	407,5	106 %	1298,9
Share of investment in GDP	30,5%		37,5
Foreign investments and loans, billion dollars		30,8	11,0
Decentralized investments, billion soums		1002,5	

The goal of the investment policy until 2025 is to increase the competitiveness and balance of the economy, develop production and export potential, develop regions and improve the welfare of the population.

The experience of the Chinese state in attracting foreign investment and introducing various incentives and incentives for foreign investors is significant. The Chinese government is successfully coordinating investment flows at the regional level, giving local governments greater powers. The central authorities will determine in which area it is necessary to direct investments within the framework of the overall investment policy. At the same time, local authorities are developing investment promotion programs. To attract foreign investment, various incentive methods have been developed, such as "tax holidays" and incentives, import tariff incentives. Especially in many free economic zones, such ease and benefits are more often used in relation to enterprises.

Increasing the activity and independence of regions and districts in investment activity in our republic can become an important criterion for attracting foreign investment to the regions. At the same time, it should be recognized that work with foreign investors who have the potential to invest in our economy is not carried out at the level of demand. First of all, they do not have the opportunity to receive the necessary and necessary information and information about the great investment opportunities in Uzbekistan, as well as about the complex, favorable conditions and guarantees created for investors. In this sense, it is necessary to strengthen the responsibility of the newly created agency for information and support of foreign investment under the Ministry of Foreign Economic Relations, Investments and Trade - Uzinfoinvest. This agency not only provides foreign business circles with detailed information about the current

¹ <https://mineconomy.uz/uz/info/2894>

investment environment in our republic, but also provides them with comprehensive assistance in the implementation of investment projects.

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