

Foreign Investment in the Economy of Uzbekistan

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Abstract. In this article, it is studied that the rational regulation of foreign economic activity is an important component of the state strategy in the economic development of our country and one of its main directions is attracting foreign investments to the republic. The work on attracting foreign investments, the investments made by international financial institutions, the efforts made to gain a place in the world trade of the country were analyzed.

Key words: economic reforms, foreign economic activity, foreign investments, direct foreign investments, international financial institutions

Foreign investments are all property, financial and intellectual assets mobilized by foreign investors to the economy, entrepreneurship, and other activities of another state in order to obtain a high level of income and efficiency. Foreign investment, unlike domestic investment, is a source of external financing. They are attracted to the national economy from abroad, encouraging their arrival. But not all forms of attracting foreign capital can be an external source of financing. This applies primarily to loans and debts that require repayment with interest payments. Because foreign loans and debts of international financial institutions require the repayment of fixed interest along with the principal debt after a certain period of time. There are specific differences between foreign investments and foreign loans. In this regard, the scope of risks of foreign investments and the scope of risks of foreign loans differ.

Since the first years of independence, Uzbekistan has determined its own direction of national economy development. The role of national and foreign investments in the development of the economy and the further acceleration of foreign economic activity is incomparable.

An important condition for the development of the investment sphere of the Uzbek economy is foreign investment. Their influx contributes to raising the technical level of production, attracting foreign technologies, using world experience in management and marketing, integrating the Uzbek economy into the world economy, expanding the tax base, and diversifying export production. Foreign investments play a significant role in financing the socio-economic development of Uzbekistan and in the formation of investment potential.

Main trends and factors for attracting foreign investment.

Foreign investments are understood as investments of foreign capital, as well as capital of foreign branches of Uzbek legal entities in enterprises and organizations in the territory of Uzbekistan for the purpose of making a profit.

Foreign investments include: the acquisition by a foreign investor of full or partial ownership of enterprises and organizations, cash, contributions to the authorized capital, the purchase of shares and other securities, machinery, equipment,

licenses, trademarks, any other property and property rights, bank deposits, carried out in objects of entrepreneurial activity with the aim of making a profit or achieving a positive social effect.

The economic potential of Uzbekistan, rich natural resources, relatively capacious national market, high scientific potential make it possible to attract significant amounts of foreign investment.

The depreciation of the US dollar and a significant decrease in the return on investment in the main sectors of the economy of the leading Western countries, which have been in stagnation for a significant time. As a result, significant free and relatively cheap financial assets of the main participants in the global investment market, which needed a profitable area of application, turned out to be outside the economic turnover.

On the other hand, the steady growth of the Uzbek economy, the stability of the socio-economic situation and the growing ratings of the investment attractiveness of the economy have created separate sectors of the national economy that are competitive for external investment.

"Investments and investment activities" of the Republic of Uzbekistan. "Investments - tangible and intangible assets and rights to them, including intellectual property objects, which are invested by the investor in the social sphere, entrepreneurship, scientific and other types of activities on the basis of risks for the purpose of obtaining profit" rights, as well as reinvestments.

Development of international trade between countries, production the expansion and improvement of integration is the cause of further liberalization of foreign economic activity.

One of the main directions of the new strategy of current market reforms is the optimization of state regulation of foreign economic activity. According to Article of the Law of the Republic of Uzbekistan "On Foreign Economic Activity", one of the main directions of foreign economic activity is attracting foreign investments to the republic.

Currently, changes and structural reforms are being carried out in all sectors of the economy of Uzbekistan. The implementation of such reforms directly depends on the investment process in the country, the state's investment policy, its priorities, and the investment activity of enterprises in the country.

In the short period of our independence, a number of practical measures were taken to increase and strengthen investment activity, a number of laws and by-laws regulating investment activity were issued and are being implemented. Investment policy is very important in this way. Because the investments stimulate structural changes in the economy, technical and technological updates, renovation of enterprises, increase the export and import potential of the country. In this regard, the state of Uzbekistan is conducting its own investment policy.

Investment policy is a set of mechanisms and methods aimed at developing and supporting priority sectors of the economy, transitioning from a centralized investment process to a decentralized investment process, and supporting priority investment projects.

In the implementation of the state investment policy, more priority is directed to the creation of small business entities, enterprises with participation of foreign investment, and to eliminate existing shortcomings, quickly solve problems and thus create a favorable economic and investment environment for investment participants to be able to move freely.

State investment policy regions, industry and enterprise investment they are interdependent, having content from politics. The investment policy of the regions is carried out in the region, taking into account the interests of the population, the region and the investor complex. The network investment policy is to support the development of the economy of the country, to export industrial products, to establish import-substituting production, and to support scientific and technical development through investment.

Making investments in the economy of Uzbekistan, first of all, at the expense of mobilizing domestic resources, rapid modernization of important sectors of our economy, technical and technological re-equipment, further development of the transport and communication sector and establishment of social infrastructure facilities have become crucial priorities.

The need to implement investment projects in the priority sectors of the republic's economy arises from the following:

- the physical and moral obsolescence of production facilities, their need for restoration or technical re-equipment or general renewal;
- the extremely low level of material and technical base in the industrial sector and the presence of many loss-making enterprises;
- the fact that the ratio between savings and consumption in the national income of the republic is mostly spent on the consumption side and that savings as a source of investment is decreasing;

Uzbekistan's wealth of natural resources and the possibility of building many processing enterprises here; the growing number of the population (labor resources) and the need to establish small modern compact enterprises and bring them closer to the village, which is the source of labor resources; reducing the weight of raw materials and many finished products in the export of the republic the need to be able to release and others.

It should also be noted that it is intended for 2021-2023. The investment program includes expansion of the raw material base of the Republic and deepening of its processing, increase in the volume of production of competitive finished products with high added value, wide involvement of foreign direct investments and high technologies in economic sectors, investment measures that should be taken in order to ensure the socio-economic efficiency of the projects, create high-income jobs on this basis, and accelerate the socio-economic development of the regions. Including: the aggregate forecast parameters of capital investments in 2021-2023, which envisage the absorption of centralized and decentralized investments in the amount of 928.3 trillion soums, foreign investments in the amount of 37.5 billion US dollars;

226 new production facilities and more than 34 thousand jobs.

The targeted program for the launch of large production facilities and capacities in 2021, which envisages the creation, was approved.

In the Investment Program for 2020-2022:

850.5 trillion soums of investments, including 35.5 billion US dollars aggregate forecast parameters of capital investment appropriation in 2020-2022, as well as forecast parameters of investment and loan appropriation and attraction in 2020-2022, which envisages the absorption of foreign investments in the amount of

The program aimed at launching large production facilities and facilities in 2020, which provides for the creation of 206 new production facilities and more than 31 thousand jobs, has been approved.

Fundamentally implement the mechanisms of investment projects large-scale works on improvement and simplification, attracting investments, first of all foreign direct investments, and expansion of development have been carried out.

It should be noted that in order to create the most favorable investment environment for attracting direct investments in the country, liberalization of the economy, reform of state administration, limitation of interference in the activities of business entities, reduction of licensing and permitting procedures and wide-scale measures were implemented to simplify, ensure free access to goods (works and services), as well as create the necessary infrastructure in the regions.

Reducing the tax burden and taxation system for investors tax policy and customs-tariff regulation reforms aimed at simplification, support of a healthy competitive environment are being implemented rapidly.

The main step in improving the investment environment should be the formation of a complete and effective institutional framework through efforts aimed at creating conditions for attracting private and direct foreign investments. Liberalization of business activities is required to activate private investments. It is necessary to work diligently to identify and overcome obstacles that hinder the development of certain sectors, constant communication with business.

In this regard, in order to increase investment attractiveness and ensure sustainable economic growth, encourage investment activity through the development of public-private partnerships and project financing tools, remove bureaucratic obstacles in the implementation of investment projects through digitalization of industries and remote provision of public services. The most important factors are to completely eliminate restrictions, to ensure maximum transparency and to prevent corruption, to organize work with appeals and requests of foreign investors, to direct foreign investments to promising sectors of Uzbekistan.

According to the Law on Foreign Investments, foreign investors in the Republic of Uzbekistan can be:

- foreign countries, administrative or territorial bodies of foreign countries;
- international organizations established in accordance with interstate agreements or other agreements or being subjects of international public law;
- any other companies, organizations or associations that are legal entities established and operating in accordance with the laws of foreign countries;
- natural persons who are citizens of a foreign state, stateless persons and citizens of the Republic of Uzbekistan permanently living abroad.

Forms of foreign investments.

Today, there are several forms of foreign investment attraction:

- establishment of joint ventures by participating in shares;
- establishment of foreign enterprises 100% owned by foreign investors;
- establishment of subsidiaries and branches of large foreign companies and firms;
- conclusion of concession and lease agreements;
- announcement of tenders;
- establishment of free economic zones;
- sale and purchase of financial assets.

Investment policy of the Republic of Uzbekistan.

Currently, one of the most important tasks in the field of economic development is to create favorable conditions for attracting foreign investments to the economy of our country, to introduce practical mechanisms for their legal protection, and to further improve the investment environment.

The investment policy of the Republic of Uzbekistan is a leader among the CIS countries in providing more favorable conditions for attracting foreign investments, establishing a practical mechanism for reliable legal protection of foreign investments and on this basis, further improving the investment environment in the country.

In today's process of economic globalization, investment activity is an important element in the economy of every country. Therefore, this activity serves to expand and develop the level of industrial production in the country, as well as the stable and progressive growth of the economy. Therefore, every country that supports investment activity is clear about it develops a road map representing its goals. In particular, various plans and programs have been developed in our country to attract investments to various fields, expand their flow, and stimulate investment activities.

The concept of investment is defined differently in many foreign literatures. In particular, in some economic literature, investment is considered as capital placed in a specific field with the aim of obtaining profit, while in others, investment is defined as any assets included in economic activity in order to increase the fixed capital.

According to Y.Mitskevich, investment is the attraction of material and financial means, as well as rights to property and intellectual property, to various objects of activity in order to obtain income or achieve social benefits. P.Vakhrin also defined the concept of investment. Looking at it as a way of investing capital, he emphasizes that it is to preserve capital or increase its original value and to have a positive amount of income.

The concepts of investment and investment activity are closely related to each other and this activity is interpreted in a narrow and broad sense. In a narrow sense, investment activity represents the process of directing investments to a certain area and thereby changing the amount of capital, while in a broad sense, it represents a set of actions related to placing investments in an investment object for the purpose of profit.

Some authors suggest to understand the investment activity as a type of actions conditionally divided into two stages. The first stage begins with the decision to invest the idle funds. After searching for an object of effective capital investment from the point of view of obtaining income, an investment contract is concluded, that is, a specific search and the fact of the introduction of funds is strengthened. Thus, tangible and intangible assets are given the status of investment. The second stage includes practical actions related to the implementation of investments in accordance with the investment agreement. In this process, the function of each participant of the investment activity and the forms of implementation of their powers are determined.

In short, investment activity is the placement of capital in various fields of activity and their management by any individuals and legal entities, as well as investment entities such as citizens and legal entities of foreign countries, in order to earn income, increase existing capital or achieve other useful results is a set of practical actions.

From this point of view, it is worth saying that in the context of the concept of investment activity, the goal, object and directions of investment, organizational and legal actions related to investment, and finally, a certain positive effect (profit) lies the motive of getting. The classification of investment activity allows investors to have a

clear idea of the field of capital investment and to obtain more objective information about it when determining the purpose and object of capital investment.

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