

Improving Ways of Attracting Foreign Investments to the National Economy and Using Them

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Annotation: In this article, the processes related to attracting foreign investments to the national economy and improving the ways of their use are studied. Factors affecting the processes of attracting foreign investments and their effective use, and their impact on the effectiveness of the country's investment activities, were analyzed and evaluated.

Key Words: Investment activity, investment potential, investment attractiveness, competitive advantage, investment efficiency, investment risk, market mechanism.

INTRODUCTION

As the President of the Republic of Uzbekistan Sh.M. Mirziyoev stated in his Address to the Oliy Majlis: "World experience shows that any country that has pursued an active investment policy has achieved stable growth of its economy. That is why investment is the driver of the economy, the heart of the economy in Uzbek terms. It is not an exaggeration. We will achieve rapid development of our economy only by actively attracting investments and launching new production facilities. Positive results in the economy create an opportunity to systematically solve the accumulated problems in the social sphere. We must all deeply understand this and organize our work on this basis. In order to attract foreign investments, it is necessary to take measures to fully demonstrate the investment potential of our country, which should be one of the most urgent issues in our daily life" [1], emphasizing the extremely important importance of foreign investments in the development of the economy and its acknowledges the relevance of engaging

A number of measures aimed at increasing the investment attractiveness of our country's economy and improving the system of effective use of the existing investment potential are included in the Resolution of the President of the Republic of Uzbekistan dated April 29, 2019 "On measures to further improve the mechanisms of attracting foreign direct investment to the economy of the Republic" No. PQ-4300 special attention was paid, and in this regard, priority was given to the tasks related to increasing the effectiveness of attracting foreign direct investments to the republic's economy, informing foreign investors about the opportunities and potential of our country [3].

Based on the above, it is evidence that in the formation of ways of attracting foreign investments to the national economy and their effective use, the implementation of research aimed at ensuring the compatibility of state and market mechanisms in achieving priority in regional competitive advantages of investment potential, level of investment risk, and attracting investments is of urgent importance.

ANALYSIS OF LITERATURE ON THE SUBJECT

A number of research studies within the framework of attracting foreign investments to the national economy and forming ways of their effective use are of particular importance in the scientific research of foreign economists S.Liesbeth, M.Miet, S.Jo and others. According to researchers, the process of economic liberalization in transition countries is an important factor in improving the system of attracting foreign direct investment. Attracting technologies and knowledge to national enterprises through direct capital accumulation and technological know-how ensures sustainable rates of economic growth [4].

Local scientists N.G. Karimov [10], U.S. Nodir Khanov [11], D. Gozibekov, E. Nosirov [12] and others in their scientific researches, the factors, characteristics of the investment environment, the attraction of foreign investments directly affect the participation of the national economy in international indices. relationship has been studied.

RESEARCH METHODOLOGY

The available scientific researches on ways of attracting foreign investments to the economy of Uzbekistan and their effective use are widely used to study the experience of foreign countries, compare and analyze statistical data and economically, logical thinking, scientific abstraction, information grouping, analysis and synthesis, induction and deduction methods. .

ANALYSIS AND RESULTS

The economy's demand for investment, the lack of investment funds, requires the efficient use of investment resources. Because more profit can be obtained as a result of effective use of invested capital. In the management and evaluation of

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investment projects, the financial and economic analysis of the country proposing this project is a necessary component. In order to develop the investment activities of the national economy and improve their financing, it is necessary to pay special attention to the issues of studying and improving the financing experiences of foreign countries with developed economies and using positive achievements in their practice. Based on the above, the financial issues related to the investment environment and the problems of financing investment activities are being solved in a systematic manner in order to increase the effectiveness of investment utilization in the economy of our country.

A well-thought-out investment policy is of great importance in ensuring the rapid pace of economic development and maintaining macroeconomic stability in our republic. After all, investments as an important factor of economic development provide modernization of production, stimulation of technical and technological updates and innovations, creation of new jobs and increase of income of enterprises. The importance of the issue can be seen in the investment policy aimed at regularly increasing investment flows over the years.

In fact, in recent years, the scope of measures aimed at increasing the volume of investments has been significantly increased, both legally and practically. Especially as a result of active investment policy, positive growth in the dynamics of investment flow is observed in our republic (Fig. 1).

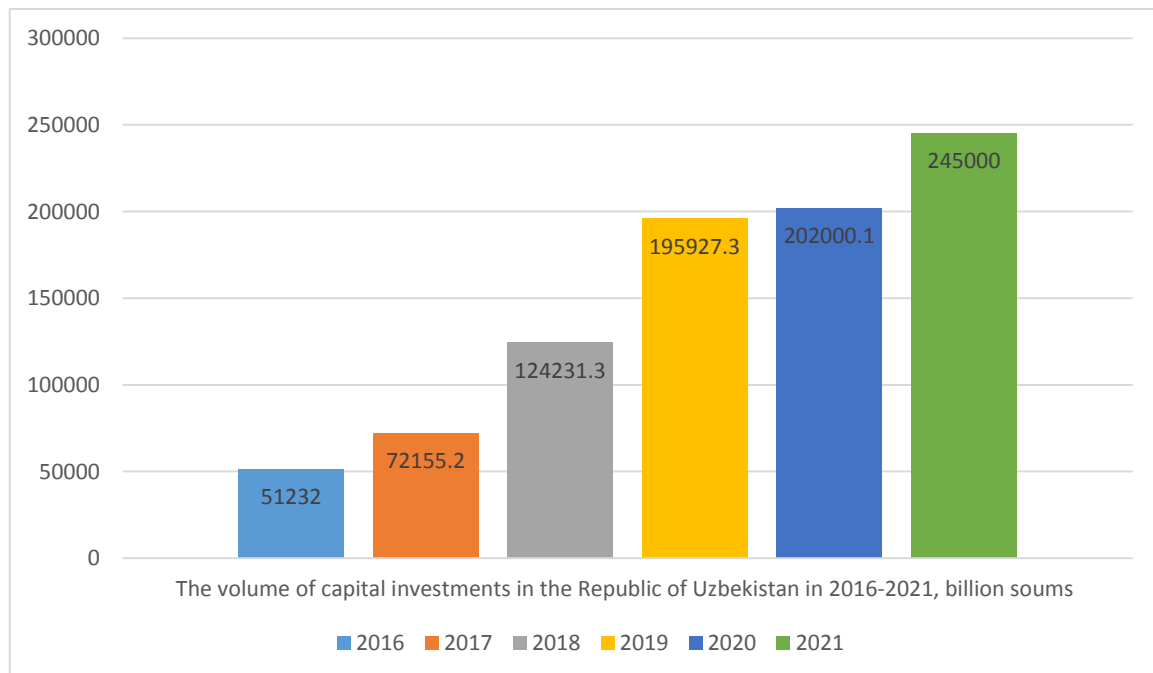


Figure 1. The volume of capital investments in the Republic of Uzbekistan in 2016-2021, billion soums [15]

As can be seen from the given data, the amount of capitalized investments is increasing sharply. In 2020, it can be seen that the volume of investments in our republic has increased 4 times compared to 2016, even in the conditions of the global economic decline and crisis due to the coronavirus pandemic.

The fact that the growth rate of investments in 2020 was 3 percent is directly related to the pandemic conditions. However, the growth in 2019 was 57.7 percent, the highest figure in the last five years. It is noteworthy that the rapid growth of the volume of investments is a practical result of conducting a far-sighted and well-thought-out investment policy in our republic.

It is necessary to prepare areas for investors in terms of infrastructure. Such an economic policy is hardly implemented in our country. However, it is an important mechanism that provides a competitive advantage to the region. Only at the final stage of the investment agreement, the regional leaders are ready to discuss budget allocations for the preparation of industrial areas. Since the infrastructural preparation of new industrial areas requires a lot of money, it is difficult to wait for the emergence of regions that will carry out such preparation until the appearance of specific investors or the signing of an agreement with an investor.

CONCLUSIONS AND SUGGESTIONS

In short, the use of various methods for attracting foreign investors is already bearing fruit. An active and well-directed investment policy is the most important factor for rapid and proportionate economic growth, implementation of deep structural changes and diversification of the economy. Uzbekistan was able to create a unique investment climate, and the fact that the country is rich in resources and the wide opportunities given for the establishment of enterprises in the field of extraction and processing, as well as the modernization of existing ones, created the ground for the entry of foreign investors.

In our opinion, it is appropriate to ensure the practical implementation of the following tasks in order to attract foreign investments to the economy and improve the system of their effective use:

- formation of software platforms aimed at state insurance of investors' investments, evaluation of existing conditions and possibilities of attracting foreign investments in the regions;
- improving the regulatory framework for attracting investments to the regions and providing tax preferences for their development, wide incentives for increasing the share of tax revenues remaining in the region;
- to ensure the practical implementation of the tasks of restructuring the internal structure of industrial sectors, directing foreign investments to the production of industrial products and advanced technologies for the production of high-quality industrial goods;
- use of various models of legal regulation methods for state support of investment activities, formation of digital investment services system in the unification of legislation on investment activities;
- use of the public-private partnership mechanism that provides international technology transfer for investment projects, optimization of the effective project risk management system in the introduction of an integrated system of investment project management, etc.

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