

## **ISSUES OF ATTRACTION OF FOREIGN INVESTMENTS IN THE ECONOMY**

Prudnikova Angelina Arkadevna

Student of the Department “Natural, technical and social-humanitarian sciences”

Branch of the Federal State Budgetary Institution of Higher Education “National Research University of the Moscow Energy Institute” in the city of Tashkent

E-mail: prudnikovaangelina147@gmail.com

### **Abstract**

The scientific thesis examines the theoretical and practical issues of attracting foreign investment. The issues of further development of the real sector of the economy by attracting foreign investment into the country's economy are analyzed. On the basis of research and analysis, the author's scientific conclusions are made.

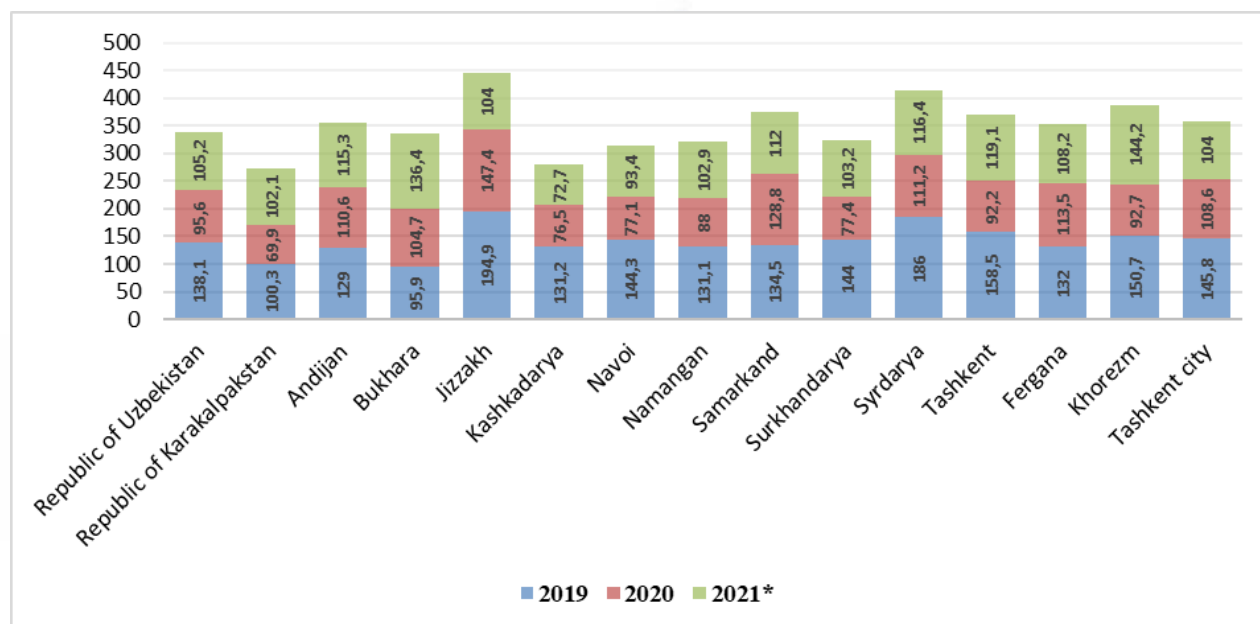
Foreign investment is one of the key factors in ensuring economic growth and economic development. One of the main goals of any country is to attract foreign investment. The role of foreign investment in achieving sustainable economic growth, structural reforms in the economy and improving the living standards of the population is significant.

Focusing foreign investment on priority sectors of the economy and clearly defining their effectiveness, attracting science-based investment decisions, taking into account all the conditions of foreign financial resources on the basis of rational regulation of investment activities will determine the future of the national economy. Finding the necessary foreign investment for all sectors of the economy has become a prerequisite for economic growth. It is important that these criteria are taken into account at the current stage of reform and development of the national economy of Uzbekistan. Its main tasks are to increase the role of export potential in ensuring sustainable economic growth, increase the contribution of small business and private entrepreneurship, deepen the liberalization process and increase the effectiveness of state support for priority sectors of the economy<sup>1</sup>.

Therefore, without attracting foreign investment, especially without expanding the participation of foreign investment in key sectors, it is impossible to carry out structural changes and modernization of the economy, re-equip enterprises with modern equipment and launch the production of competitive products. Attracting foreign investment in the economy of our country is important in accelerating the expansion of its economic potential, ensuring the economic power of the state through the use of domestic potential and reserves in all areas, the development of new equipment and technology, export-oriented goods, their production earns.

---

<sup>1</sup> Yuri A.Rolik. A Complex Approach to Evaluating the Innovation Strategy of a Company to Determine its Investment Attractiveness. // Procedia – Social and Behavioral Sciences, Volume 99, 6 November 2013, pages 562-571; <https://www.sciencedirect.com>

Figure 1. Investments in fixed assets (growth rate, %) <sup>2</sup>

In the picture above, the growth rate of investments in fixed capital is given by regions, and we can see that this figure is growing from year to year. This indicates the effective implementation of investment policy in the Republic of Uzbekistan.

In general, in recent years, investment in developed countries has focused on extensive automation, resource restructuring, new modern technologies, as well as structural restructuring of the economy based on a new system of governance based on increasing the role and responsibility of local government. Local governments have a key role to play in the management of investment programs, environmental policy and regional planning. World experience shows that the successful implementation of investment programs and projects depends on ensuring the optimal proportion among its participants.

At the same time, it should be noted that the laws of different countries also restrict the activities of foreign investors. In almost all countries, there are sectors where foreign capital cannot be invested. In some countries, some sectors are completely closed to foreign investment. It sets various restrictions on the activities of foreign investors. For example, in the United States, some states prohibit the attraction of foreign capital to minerals, while in some states there are restrictions on the purchase of land. However, the world experience shows that in many countries the provision of financial and economic benefits and privileges in the regional investment policy creates the basis for economic development of the regions.

1. In conclusion, it should be noted that in recent years, investment activities in developed countries are aimed at large-scale automation, resource restructuring, new modern

<sup>2</sup> Prepared by the author on the basis of the official website of the State Statistics Committee - [www.stat.uz](http://www.stat.uz)

technologies, as well as structural restructuring of the economy based on a new management system based on increasing the role and responsibility of local government. Local governments have a key role to play in the management of investment programs, environmental policy and regional planning.

2. It is well known that one of the great wonders of the liberal economic system that began between states after World War II was foreign investment. Indeed, foreign investment has had a major impact on the country's economic growth in the four Southeast Asian countries known as the Asian Lions, then in China, and now in Eastern Europe and Vietnam, and this process is still ongoing.

3. Increasing the activity and independence of regions and districts in investment activities in our country can be an important criterion in attracting foreign investment to the regions.

4. As mentioned above, it is expedient to increase the independence and role of local authorities in the investment activities of the Republic of Uzbekistan and to expand the development and implementation of local programs to encourage private investment. Also, the issuance of municipal and corporate bonds as a source of investment in the regions and the establishment of incentives for income from them can lead to an increase in investment flows.

#### **List of used literature:**

1. Decree of the President of the Republic of Uzbekistan dated November 18, 2019 No. PF-5877 "On improving monetary policy through the gradual transition to inflation targeting." National Database of Legislation, 19.11.2019, No. 06/19/5877/4036.
2. The official reports of Data Base the Central Bank of the Republic of Uzbekistan in 2023 - [www.cbu.uz](http://www.cbu.uz).
3. Prepared by the author on the basis of the official website of the State Statistics Committee - [www.stat.uz](http://www.stat.uz)
4. Yuri A.Rolik. A Complex Approach to Evaluating the Innovation Strategy of a Company to Determine its Investment Attractiveness. // Procedia – Social and Behavioral Sciences, Volume 99, 6 November 2013, pages 562-571; <https://www.sciencedirect.com>
5. <https://stat.edu.uz/Univer-list.php>.