

## DIRECTIONS FOR THE DEVELOPMENT OF FOREIGN INVESTMENT ATTRACTION INTO THE COUNTRY'S ECONOMY

Olimbekov Odilbek Saidmurodovich

Tashkent State University of Economics Independent Researcher of  
the Department of “Valuation and Investments”

### Abstract

Activation of external and domestic investment flows into sectors of the national economy is one of the critical factors ensuring sustainable economic development. In this context, large-scale attraction of foreign investment is of primary importance for the development of the national economy.

Accordingly, the rapid development of the economy requires multilateral and large-scale foreign investment. Therefore, foreign investment is a force that moves any economy and ensures its development, and it is forbidden to use all opportunities wisely to increase the volume and quality of foreign investment in the national economy.

In order to overcome the problems of attracting foreign investment, it is necessary to develop a comprehensive program to attract foreign investment in accordance with the priority directions of national economic development. In this regard, it is planned to adopt an Investment Policy Strategy by 2025. This strategy should be aimed at creating a favorable investment climate in the Republic of Uzbekistan in good coordination with strategic development of production potential in the medium term. The draft strategy indicates the sectors and territories where foreign capital should be introduced.

There are cases of unacceptable relations of foreign investors in world practice. There were problems in the authorized capital in the form of underestimating the real share of local investors. There are cases when the contribution of the local investor is underestimated and the value of the equipment of the foreign investor is overestimated. In this regard, it is necessary to develop a methodology for valuation of buildings and structures contributed by local investors to the authorized capital of enterprises with the participation of foreign investment. In some cases, there have been cases of spiritual obsolete technologies and equipment being introduced. While choosing this mechanism while attracting foreign investment, a country must take into account the presence of such disadvantages.

The best experience of developed and developing countries shows that one of the most important directions for attracting foreign investment is the creation of special economic zones and ensuring their operation.

At the same time, the main measures to attract foreign investment to these zones are:

- full exemption of imported products from customs payment; reduction (abolition) of taxes;
- creation of privileges on the lease of territories and infrastructure facilities; the application of accelerated depreciation of fixed assets;

- reduction of fees for the use of resources; provision of more attractive credit and insurance conditions;
- simplification of issuing a visa (investment visa);
- the creation of modern infrastructure (industrial, social and market infrastructure); availability of raw materials (proximity to the enterprise);
- availability of a sufficiently qualified workforce;
- favorable location, strengthening of the country's position in international ratings, taking into account foreign consumers.

In our view, it is appropriate to pay special attention to the following in actively attracting foreign investment to our country's economy:

- accelerate the transition to an inflation targeting regime by the Central Bank, planned to take all necessary measures aimed at cracking down on the inflation rate and to crack down on the inflation rate. Furthermore, improving the system of obtaining a negative impact of the inflation rate on investment projects;
- improving the system of providing investors with more opportunities and increasing their interest in investing in the economy of Uzbekistan;
- improving the system of granting privileges and preferences to foreign investors, who supply world-class technologies to our republic and promote the development of modern economic content;
- energiya tejamkor va atrof-muhitga kam zarar yetkazadigan yuqori texnologik, zamonaviy uskunalarni o'rnatish;
- the introduction of advanced foreign technologies suitable for local conditions, stimulation of domestic inventions and the investment in the knowledge economy (human capital).

In our opinion, it is expedient to eliminate the problems of attracting foreign investment into the economy of Uzbekistan through the following measures: expansion and transparency of the system of privileges and incentives for real validity for foreign investors in certain sectors and regions (including free economic zones, small industrial zones); it is necessary to improve the regulatory framework on free economic zones and concessions.

Today, in developing a wider involvement of foreign investment in our economy, the law provides privileged financial conditions for foreign investors in order to interest foreign investors in spending their money on the country's economy, including:

- guarantees for the preservation of capital of foreign investors;
- guarantees for compensation for damages suffered;
- certain privileges in the taxation system;
- freedom to export profits and revenues abroad;
- the possibility of transferring and withdrawing profits in national soums and foreign currency;

– the creation of a bill of insurance protection of the property of foreign investors and themselves from risks.

We believe that the following measures are needed to further develop the attraction of foreign investment in the national economy. For example: improvement of laws and regulations on attracting and regulating foreign investment; improving the staffing capacity in the country and enterprises; improving the provision of accurate information to national enterprises operating in the domestic market; allocate financial resources to regions with lower levels of development in the country; It would be appropriate to establish investment agencies in the Republic of Uzbekistan to evaluate investment projects.

Since foreign investment is one of the main factors that contribute to the development of the economy, increasing the volume of foreign investment into the economy is one of the most pressing economic and social issues of our day. The volume of foreign investment entering the economy depends on the investment environment that has formed in the country. The more investor-friendly the investment environment is, the greater the volume of foreign investment attracted in the country's economy. Today, the volume of foreign investment entering the country's economy is increasing because of the implementation of reforms aimed at fostering a favorable investment environment in the economy of Uzbekistan. Jehovah's Witnesses would be pleased to discuss these answers with you.

Macroeconomic factors determine the general state of the economy, its growth rate, and allow determining at what stage of the country's economic cycle and forecasting the changes in the coming years. It includes the level and directions of development of the infrastructure, which affects its involvement in the national economy, that is, its elements and the system of relations between them in the process of carrying out operations accepted in this market.

So the national investment environment should be convenient and acceptable for the direct flow of foreign investment. To do this, you need to take into account all investment risks, security, profitability, foreign investment liquidity, investment objectives, and must be evaluated based on them. In this regard, it is advisable to organize favorable local conditions, investment incentives, conventions, non-compliance with export industry customs duties, and the establishment of free trade zones.