

ACTIVATING THE ATTRACTION OF FOREIGN INVESTMENTS TO THE NATIONAL ECONOMY BY INCREASING THE INVESTMENT CAPACITY OF THE REGIONS

Hoshimov Jahongir Ravshanbek ugli
Tashkent State University of Economics, PhD

In the conditions of rapid socio-economic development in Uzbekistan, special attention is paid to the growth of the investment potential of regions and its effective use. In the Roadmap for the implementation of the Development Strategy of New Uzbekistan for 2022-2026 in 2022, the issue of “determining the “growth points” by determining the contribution of regions and sectors to economic growth”¹ is defined as an important task. There are many views on the interpretation of the concept of “investment”. In these views, the following can be included in the general signs of this concept: potential opportunity to generate income; goal orientation of investments; use of various resources for investment; risk taking; maturity of deposits². Now it will be appropriate to move on to reveal the meaning of the concept of “investment potential”. The concept of “investment potential” was first introduced in the 1980s by T.S.Khachaturov and V.P.Krasovsky, and this concept was applied to the complex of fund-forming networks. However, the economic content of this concept was not revealed in these works³.

Often, the content of the concept of “investment attractiveness” and the concept of “investment environment” are similar to each other. Investment environment is an environment in which investment processes take place under the influence of political, economic, legal, social and other factors that determine the conditions for investment activity and the level of investment risk⁴. In our opinion, the concept of investment climate is a broader concept than the concept of “attractiveness”. Investment attractiveness, like investment activity, is a component of the investment environment.

Comparative methods of investment potential assessment appeared for the first time 53 years ago. As an example of early research in this field, history shows the research of Harvard Business School in 1969. It is based on the comparison of indicators covering the following descriptions according to the expert scale: regulatory regulation of investment activity; national currency stability; the possibility of using the national currency; ability to export capital; level of economic development, etc.

Based on these factors, the investment attractiveness of the regions was assessed. Calculations justify the presence of high differences in the distribution of GDP across regions. In particular, the share of the city of Tashkent is 21.4 percent and has the highest value. It is also observed

¹ Roadmap for the implementation of the Development Strategy of New Uzbekistan for 2022-2026 in 2022 – www.lex.uz

² Konoplitky V.A., Filina. A.I. This is business, explanatory dictionary of economic terms - 4th ed.// Reference publication. - Kiev: KNT, 2017. — 624 p.

³ T.S.Khachaturov, V.P.Krasovsky. Investment policy of nature management. Moscow.: Economics, 1989.-389p.

⁴ Conceptual approaches to the study of investment potential of industrial enterprises // <http://elibrary.ru/item.asp?id=35449038>

that the percentage of Tashkent city is high for all the mentioned indicators (Table 1). As a result, it can be observed that the city's share of foreign investments and loans absorbed into the country's fixed capital also had a high value, i.e. 25.8 percent.

Table 1 Indicators for assessing the investment attractiveness of regions⁵

Regions	GNP in GDP share	GNP per capita in regions differences	Area's share of retail sales	Regional differences in retail trade per capita	Unemployment rate	Differences of real total income per capita in regions
O'zbekiston Respublikasi	100.0	100.0	100.0	100.0	9.6	100.0
Republic of Karakalpakstan	3.9	64.4	3.3	59.7	10.1	70.3
Andijan	8.5	64.6	7.1	77.0	9.9	84.0
Buhkara	6.4	93.9	5.8	102.6	9.8	96.4
Jizzakh	3.4	77.8	3.7	89.5	10.1	82.9
Kashkadarya	6.6	61.8	6.5	67.7	10.2	64.8
Navoi	3.1	275.6	3.8	130.2	8.8	169.0
Namangan	6.2	56.5	6.1	73.3	9.7	82.3
Samarkand	9.1	64.0	8.4	73.7	9.9	69.5
Surkhandarya	5.4	52.7	6.0	77.9	10.2	79.1
Syrdarya	2.3	85.2	1.6	65.2	10.2	64.0
Tashkent	9.7	133.9	10.8	128.9	9.4	92.6
Ferghana	9.6	58.3	8.0	72.1	10.0	67.8
Khorezm	4.4	67.0	4.3	78.2	9.9	79.2
Tashkent city	21.4	205.4	24.6	304.9	7.0	297.4

As mentioned above, the most interesting issue for a foreign investor is the country's investment attractiveness, which is reflected in the state of the country's investment environment (combination of potential and risk). Unlike a foreign investor, a domestic investor is interested in the investment attractiveness of an industry or a specific investment object. The local investor evaluates the level of investment attractiveness of enterprises of promising and developing sectors of the regional economy, the volume of production and sales of products makes up a high share of the region's GDP. It is known that the assessment of investment attractiveness at the country level is based on macro indicators, and at the level of the economic sector, it is focused on the assessment of the dynamics of industrial markets in terms of the types, quality and competitiveness of manufactured products, the determination of sales profitability and investment profitability.

In order to further improve the investment environment in the Republic of Uzbekistan, the portal for potential investors is provided in eight languages, where investors can learn about the investment potential of our country and its regions, raw material resources, export and import confidence, infrastructure, raw material prices, communal services, demographics. can

⁵ Author's development.

get additional information needed to make indicators and investment decisions. The investment portal of Uzbekistan has developed an interactive map showing the location of free economic zones and small industrial zones operating in our republic. In order to increase the confidence of investors and improve the investment environment, a form has been placed to send a notification online regarding existing problems in foreign-invested enterprises.

In order to comprehensively assess the investment environment of the regions and create healthy competition in attracting investments between the regions, the Agency has developed a methodology for evaluating the “National rating of the investment environment of the regions of the Republic of Uzbekistan”. Its main purpose is to evaluate the effectiveness of the state bodies in solving problems in the field of improving the investment environment and creating favorable conditions for business. The successful use of the rating helps to: determine the level of the investment environment of the republic’s regions and the problems in this regard; identify state bodies, including local agencies, that require optimization and/or reforms; assessment of the investment potential and effectiveness of implementation of operational and strategic tasks aimed at improving the investment environment of the regions; promoting and improving the efficiency of attracting foreign investments; increase the investment flow to the regions; identify the best practices for making management decisions that allow to achieve the highest results in the development of the investment environment; development of proposals for improving the investment environment in the regions of the republic; creation of incentive systems for state authorities and management bodies in the field.

Based on the above, today it is very urgent to attract foreign investments to the territories of our republic, and to solve the following tasks in the national economy: processing raw materials and giving priority to the production of products with high added value; increase the competitiveness of the products produced in our republic in foreign and domestic markets by applying international quality and certification standards; implementation of modern methods of business management and management by mastering international standards of business cooperation; integration of the local economy into the world market by developing cooperative relations with foreign companies, in particular by entering their production chain.

We believe that it is appropriate to make the following proposals and recommendations to activate the attraction of foreign investments into the national economy: to reduce the minimum amount of the share of foreign investments in the charter fund of enterprises with foreign investments from 30 percent to 15 percent; cancellation of the requirement that a foreign legal entity must participate as a participant in an enterprise with foreign investments; reducing the minimum amount of the charter fund of enterprises with foreign investments from 600 million soums to 400 million soums; setting the minimum amount of the charter fund of joint-stock companies in the amount of 400 million soums; it is proposed to reduce the amount of state duty for state registration of enterprises with foreign investments by three times.

To sum up, the formation and management of the investment potential of the regions requires the effective use of investment management strategies, and according to its content, any investment attracted should effectively satisfy the population of the region and its needs, increase the standard of living, increase the real income of the population, should be directed to ensure employment.

