

Increase Investment Environment and Investment Attractiveness

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Abstract

The article analyzes the essence of the investment environment, the role of foreign investments in the economy, the composition of the acquired investments and investment projects.

Keywords: *investment, investment climate, investment attractiveness, free economic zone.*

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In the address of the President of the Republic of Uzbekistan Sh. M. Mirziyoyev to the Oliy Majlis on December 29, 2020, he stated that "economic growth is achieved primarily by creating competitive industrial chains and increasing investments in such projects." To increase the productivity and economy of economic resources in the national economy, to create a favorable investment and business environment, to attract foreign direct investments, to modernize the economy through technical and technological renewal, to transform investment processes into a competitive high-tech knowledge economy. It is desirable to further deepen scientific research on the development of the digital economy based on the orientation.

It is important to create the necessary conditions for attracting foreign investments to the economy of the republic, which can be invested in the economy of that country only when there are (positive) economic, political, social and legal conditions in the country.

In the scientific literature, the term investment environment has many definitions. In particular, according to Glagoleva and Belogura, "the investment environment of a country or region is a generalization of the description of the political, social, economic and legal conditions of the state that determine a certain level of attractiveness of financial investments."

Summarizing the scientific views on the investment environment, it can be seen that this concept is expressed as a set of various factors that determine the implementation and development of certain investment processes.

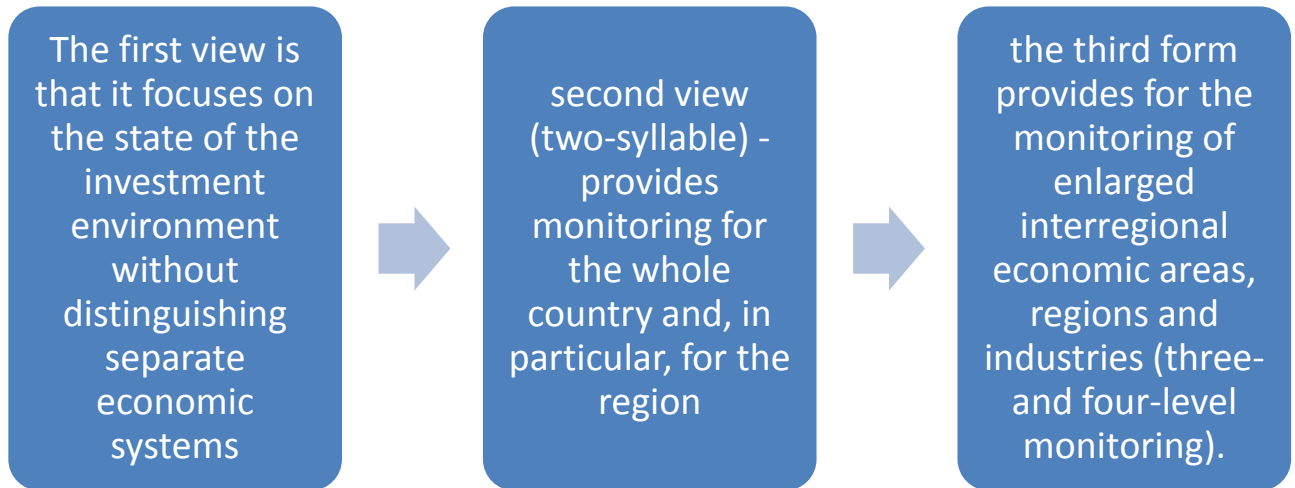
Thus, the investment environment is a generalized description of social, economic, political, legal, cultural, historical, financial, management and other conditions that predetermine the possibilities and attractiveness of investing in this or that economic system.

The fact that investments in fixed capital in Uzbekistan are gaining a growing trend indicates the ease of the investment environment. Such an investment situation provides an opportunity to quickly change the technological level of economic growth. According to many experts, it is necessary to further increase the growth rate. Such growth rates of investments are determined by the creation of a favorable environment for investors, total economic, legal, organizational, political and social conditions that affect the dynamics and structure of investment. In particular, this is evidenced by the increasing import of investments. While solving the task of creating a positive investment environment, it is important to consider that the globalization of the economy expands the use of investment resources available in the world, thereby increasing the competition between investment recipients. Accordingly, if we want to increase the volume of foreign investments, we must have better conditions for them than our competitors. This includes not only foreign, but also national investment resources, whose "flow" abroad shows that the environment created for them in their own country is not very favorable.

The contents of the investment environment of the regions are:

- objective factors;
- stratification of the investment environment at different levels of the economy;
- national economy investment environment does not lead to the set of investment environments of regions (synergism property);
- introducing an investment environment into the economic system of the region;

- emergence of various risks as a result of certain conditions



Views of investment environment monitoring

The task of constant monitoring of the investment environment is urgent. The third view is more important for the national economy, because it allows:

- reducing subjectivity in the process of analyzing the investment environment;
- collection, processing and transmission of information on improving the investment environment at all levels, simplifying the management of the monitoring system;
- Consideration of similarities and differences of interregional structures.

In the 6 months of 2020, the total volume of foreign investments was 4.8 billion. dollars, including foreign direct investments - 3.2 billion. Dollars and foreign loans under state guarantee - 1.6 billion. Amounted to a dollar. At the same time, the volume of direct foreign investments in the main capital is 2.6 billion. dollar, and there was a 1.2 times increase compared to the same indicator in 2019. The share of foreign direct investments in the total investment volume increased to 29.5%. During this period, 494 projects were launched: 28 large production enterprises and 466 regionally important industrial facilities. Russia, China, Germany and Turkey led the way in investing in the economy of Uzbekistan; the total number of countries investing in the economy of the republic was 37. During this period, the fields of electrotechnical industry (growth - 13 times), production of construction materials (growth - 3.6 times), ICT (growth - 3.5 times) became the most attractive for investors. Food industry (growth – 1.5 times), chemical industry (growth – 1.3 times) and textile industry (growth – 1.6 times) also saw good growth dynamics. Showed At the same time, the growth trend of attracting foreign direct investment and loans to projects of regional importance was strengthened, and during this period 2 bln. Dollar and increased by 1.05 times. 1.6 billion of the total amount. dollars were directed to the main capital. The volume of investments as part of regional projects made up 62.3% of the total volume of foreign direct investments.

Currently, there are 21 free economic zones (SEZs) in the Republic of Uzbekistan, of which 19 are specialized in industry, 1 in agriculture and 1 in tourism. In the period from 2008 to 2021, a

total of 448 projects worth 2.4 billion dollars were implemented in the territories of free economic zones. Of the total amount, 764.6 million dollars are foreign direct investments. About 34,000 new jobs were created at the expense of the projects. The largest of these projects are Angren SEZ (73 projects worth \$730.7 million), Urgut SEZ (55 projects worth \$312.9 million), Navoi SEZ (53 projects worth \$282.8 million), and Buhoro- agro" was implemented in SEZ (112 projects worth \$325.1 million). By the end of 2020, 128 projects with a total value of 487.4 million dollars were implemented in the SEZ territories. Of this, 162.1 million dollars are foreign direct investments. Projects include construction of modern greenhouses (62 projects worth \$204.7 million), production of building materials (18 projects worth \$140 million), chemical and petrochemical industry (13 projects worth \$50.6 million), food industry (10 projects worth 15.9 million dollars), textile industry (8 projects worth 20.1 million dollars), machine building (2 projects worth 6 million dollars), leather and footwear industry (5 projects worth 14.9 million dollars), covered such areas as the electrical engineering industry (3 projects worth \$13.7 million), the pharmaceutical industry (6 projects worth \$56.3 million), furniture and paper production (1 project worth \$1.1 million).

To conclude from the above, systematic work has been organized in our country aimed at attracting foreign investments, increasing the investment attractiveness of regions, and increasing the efficiency of attracted foreign direct investments. In addition, regional bodies responsible for monitoring the effectiveness of investment projects have been established. These implemented measures serve to increase the investment contribution to the economy of the regions and the country.

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