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Analysis of Investment Activity in Foreign Countries

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Annotation

This article analyzes investment activities in foreign countries, including the USA, Great Britain, Germany, France, China, and Japan. Based on the world practice of attracting investments to the economy, it is stated that the state should create a clear and stable legal framework, and first of all, it is necessary to develop an appropriate system of state regulation of investment activities in the person of special authorized bodies.

Keywords*: investment, innovative investment, non-innovative investment, investment activity, stock market, production, legislation, credit organizations, investment activity.*

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Introduction. Currently, the steady growth of investments and their effective use is not only a tactical, but also a strategic task. Its successful solution requires a comprehensive consideration of the complex interrelationship of many elements of the investment field inherent in the investment process. At the same time, the experience of economically developed countries shows that consistent implementation of the relationship between micro and macroeconomic reproduction is possible only by relying on the market as a self-regulating system and regulatory investment activities of the state.

Countries that have managed to formulate an optimal investment policy and set up a mechanism for its implementation are leading the competition for world leadership. These include, in particular, Japan, the USA, Germany and other members of the "Big Seven". For these countries, intervention in the investment sector of the country's economy has long been a common practice, and its methods are being systematically improved. The experience of the USA, Great Britain, Germany, Japan and France seems to be the most interesting in matters of regulation of investment activity. Their economic development strategies are countries that can be a good example for the Republic of Uzbekistan.

Fundamentally improving the investment environment, deepening the implementation process of the state share package, reducing the state's participation in the economy, ensuring the inviolability of private property, increasing its role and importance, including the transition to modern approaches to investment development, state asset management, making the capital market one of the leading factors of economic development conversion is an important condition for sustainable development of the country's economy.

A number of scientific research works have been carried out by foreign economists in this field. In particular, Ya.S. Melkumov analyzed the effective use of financial, property and intellectual investments in the financing of investments in order to gain profit in the development of production and entrepreneurship [1]. Here, the author studies investments as a source of income and shows the types of investment activities. What is at issue here is the types of investment objects. This has been discussed in our other scientific works.

S.V. Valdaytsev and P.P. Vorobev analyzed the sources of financing in social sector investment. It was concluded that the funds spent on the processes of obtaining social income consist of finding a higher income or social effect in the future [2].

Prof. According to Ya.M.Mirkin, a realistic, promising form of investment financing is to increase the placement of company funds from the secondary market to equity capital, but the level of this source of investment financing is very low [3].

Well-known economist U.Sharp also pays special attention to the mechanism of financing investment activities through the stock market. In his opinion, a rational investment strategy with a direct relationship between the profitability and riskiness of securities is the basis of financing investment activities. Financial intermediaries (commercial banks, savings and loan associations, credit unions, insurance companies, mutual aid funds, pension funds) indirectly provide corporations with the opportunity to attract additional funds from the stock market [4] .

K.K. Hasanov made a comparative analysis of legal regimes, institutional norms and mechanisms of investment activity in developed foreign countries. Ways to increase the activity of regions in attracting foreign investments using the criteria for evaluating investment activity and the experience of foreign countries have been proposed [5].

In the research of Associate Professor B.K. Tokhliev, opinions were discussed on a number of issues such as financing of investment activity, formation of its sources, creation of a favorable investment environment, study of factors affecting investment activity, improvement of activities of enterprises with participation of foreign investments. Conclusions and proposals have been formed regarding the composition, analysis and improvement of investment activities and sources of their financing in the current conditions [6].

It should be noted that effective regulation of this sector is one of the most important ways to develop the country's economy. Therefore, by conducting the necessary research in this field it is important to search for ways to regulate investments, to create mechanisms.

Analysis and results. In the course of our research, we have analyzed investment regulation processes of several developed countries. According to our analysis, investment processes in the USA are regulated within certain limits by the state. More than 20% of gross capital investment in the US economy is accounted for by the state, of which 12% is directed to investments from the federal budget. The influence of the state on investment activities is carried out with the help of financial instruments such as preferential income tax rates, accelerated depreciation policy, incentives for certain categories of investments.

Due to the federal structure of the state, regulation of foreign investments in the United States is carried out at two levels: at the federal level and at the state level. At the federal level, generally, general requirements are set, and special requirements for participation of foreign investors in projects in the territory of the respective states are set by local authorities. Each country does its work on attracting foreign investments on the basis of long-term and short-term programs developed in accordance with local legislation and taking into account local characteristics and needs. Each state has its own programs for attracting local and foreign investments, because according to the established practice, the federal government does not play an active role in determining the goals of economic development of a certain region of the country. Local self-governing bodies independently determine promising directions of industrial development at the expense of both state and debt funds.

The policy in the United States, with some exceptions, provides equal conditions for the management of foreign and domestic investors. For example, foreign investors can freely invest their funds in most sectors of the country's economy, as well as withdraw capital and profits.

Investment companies - trusts play an important role in the regulation of investment activities in Great Britain. The legal basis for the existence of trusts is limited liability, the main purpose of which is to effectively combine small investments into large investments. The whole system of investment regulation in Great Britain is primarily aimed at protecting the rights of the owners of capital and ensuring the rapid accumulation of capital in the interests of their owners, and ultimately the development of production and the growth of consumption.

Investment companies have a special place in the regulation of investment activities in Germany, their activities are regulated by the "Investment Companies Act " (1970). These companies are credit institutions. Therefore, they are subject to all legal norms related to credit organizations. The scheme of collective investment organization in Germany is very similar to the scheme of operation of a trust in Great Britain. The main difference is that the German management company must necessarily be a credit institution and fall within the scope of banking regulation and supervision.

Although there is no specific law governing foreign investment in France, there is a system of "notifying the authorities in advance of the intention to extend the approval period". This mainly applies to investors from non-EU countries that are involved in the activities of a French company. In addition, in French law, there is a clear distinction between direct and other foreign investments, which is explained by the use of more favorable regulation in relation to the latter. The reason for this is that foreign investment arrangement order significantly despite the simplification; most direct investment transactions in France still require prior notification of intent or prior authorization.

The main methods of regulating investment activities in Great Britain, France, Germany and Japan are as follows: first, to regulate the total volume of capital investments. It is the main method of managing the investment process, which is carried out through credit interest policy, monetary policy, tax and depreciation policy; secondly, selective promotion of investments in certain enterprises, sectors and fields of activity with the help of credit and tax incentives, for example, investment loans; thirdly, direct administrative intervention in the investment process in order to launch or withdraw certain production capacities by coordinating the plans of large corporations.

Countries such as France and Germany direct their national economic policy to equalize regional economic stratification. That is, in addition to the network method of allocation of funds, they also use the state method, because they consider it more efficient.

In the practice of regional investments in Germany, the concept of "state mission" is used, which corresponds to the concept of "targeted program". In the new (eastern) federal states, the target regulations "Improving the regional economic structure" have been developed, which will contribute to the promotion of investments.

In France, relations between the state and the regions are established on the basis of a contract within the framework of the national planning system. In this way, the state supports the economic development of the regions. Each region makes planned agreements with the state, which bind both parties to a specific investment program. Then they are included as a priority in the national plan of the state. At the same time, they are trying to allocate additional funds to the most problematic areas. The implementation of such a policy is carried out in the form of restructuring of the regional economy. Investment grants allocated for this purpose help to improve regional infrastructure and create jobs in priority sectors of the economy.

In order to equalize the disparity in regional development, the experience of French and German state financing was actively used at the European Union level, for which a special Structural Fund of the European Union was established. This fund collects funds from all EU member states. And only countries with the most problematic areas in terms of economic development will receive funds. The resources of such funds are replenished not only from budget revenues, but also based on the attraction of free funds of the Austrian National Bank.

To finance the most important structural projects of the economy, which are mainly built on the basis of the network, Japan and China are actively using budget funds under state responsibility and various forms of savings of citizens.

In China, lending to the economy is entrusted to the banking system. The main types of lending are commercial and political lending. In commercial lending, interest rates on loans, as well as lending directions, are formed based on market principles. "Political lending" is intended to play the role of the main means of implementing the state economic policy. For this purpose, three state development banks have been established in China. At the same time, the state budget is the main source of funds for "political lending".

In Japan, budget deficits at all levels, as well as state-owned enterprises, are mainly financed by the savings of citizens, since the trust fund bureau is the main subscriber of government bonds in the primary market and the main buyer in the secondary market.

Conclusions and suggestions. In conclusion, it can be seen from the above that the state regulation of the investment process is a system of legislative, executive and control measures implemented by the competent state bodies to stimulate investment activity and, on this basis, economic growth.

Regulation is expressed in the direct management of state investments: the tax system with differentiation of tax rates and tax benefits, financial assistance in the form of subsidies, budget loans, preferential loans, financial and credit policy of economic entities and the market mechanism.

Non-interference of state bodies, entities and municipalities in legally implemented investment activity is also considered as the principle of investment activity. The rights and interests of citizens, legal entities, as well as society, the state, and municipalities must be respected in the implementation of investment activities.

The activity of the state in regulating the investment process is influenced by the state and level of development of the market economy, the level of its orientation towards solving social goals and tasks. But in all cases, it is a complex process that includes the goals, subjects, objects and means of this regulation.

Therefore, based on the world practice of organizing investment attraction in the economy, it is appropriate to create an appropriate system of state regulation of investment activity in the person of special authorized bodies, along with creating a clear and stable legal framework.

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