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IMPORTANCE OF FOREIGN INVESTMENTS IN THE REPUBLIC OF UZBEKISTAN

Hasanova Yulduz Murtazaevna

*Senior Teacher Of The " Finance " Department Of Karshi Institute Of Engineering And Economics,
Uzbekistan*

ABOUT ARTICLE

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Abstract: This article provides a discussion of the importance of foreign investment in ensuring economic stability and analysis based on statistical data. The existing problems with attracting foreign investment and measures to solve them are also described. The article provides information about existing problems with attracting foreign investment and measures to solve them.

INTRODUCTION

It is noteworthy that priority work is increasing year by year in order to deepen the structural change and diversification of the economy of our country, to ensure employment, and to increase the income and quality of life of our people. , of course. As the President noted, "Investment is the driving force of the economy." Therefore, today, as a result of the improvement of the investment environment in Uzbekistan, the tasks of attracting foreign investments to the leading economic sectors and regions of the country, and the effective use of foreign investments and loans are being implemented. As a result, it is conducting an active investment policy aimed at modernization of production, technical and technological upgrading, implementation of projects in transport, communication and social infrastructure.

Relevance of the research topic

Currently, in the changing conditions of world economic growth, Uzbekistan is striving to carry out deep structural reforms that will facilitate large investments in its national economy. The process of economic renewal and growth is determined along with the volume and composition of investments,

the quality and duration of their implementation. Foreign investments are of particular importance in the development of the country, improvement of the standard of living and well-being of the population. Consequently, it plays an important role in stimulating the economy, enriching the market with new and high-quality products, creating additional jobs, and increasing export potential. Therefore, in recent years, providing favorable conditions, additional opportunities and privileges for foreign investors in our country has become a priority. Legal grounds for this are being developed. In our country, large-scale work is being carried out in the field of entrepreneurship development, creating a favorable environment for attracting investments and conducting business, and strengthening legal guarantees for the protection of legal interests of entrepreneurs.

Setting a scientific problem

The analyzed problems are covered in the works of various scientists, including Alain Noël (2020), AVVakhobov, SH.Khajibakiyev, NGMuminov (2010), AN Gavrilova (2005), DG'.G'ozibekov (2003), NRQo'ziyeva (2008), F. Xenius (2008), K.Z. Muzaffarova (2018), Geronina NR (2005), Sh.A. Turobovlar (2020) in their scientific works the role of foreign investments, their importance in ensuring the stability of the economy, existing problems in attracting foreign investments and their elimination about the measures aimed at, as well as the experiences of different countries on attracting foreign investments and protecting the rights of investors were analyzed.

Research purpose

It is worth noting that, despite the scientific and practical research work and theoretical research carried out to date, it is precisely in the current global economic conditions that the comprehensive statistical analysis of the attraction of foreign investments, the provision of guarantees and benefits to them, as well as the impact on the favorable placement of foreign investments in the regions issues aimed at evaluating the determining factors on the basis of statistical models have not been systematically covered. Solving such issues on a systematic basis will certainly ensure the country's economic development in the future.

Scientific essence

General definition of foreign investment F. Henius' 1947 US Dictionary of Foreign Trade, 2nd Edition, states: "Foreign investment is an investment made from the territory of one country into the territory of another country." in addition, the theoretical views of professor D. Gozibekov on foreign investments include the following points: "Foreign investment is the tying of the capital of one economic entity to

another economy for a certain period. It differs from domestic investment by the breadth of risks, and is characterized by changes in legal conditions and the investment environment, and as a result capital flows across countries and regions.

It is known that the natural and climatic conditions, characteristics of the distribution of economic resources specific to each region affect their financial and investment potential. The specific features of these regions lead to regional differences in capital investments and especially foreign investments in terms of the composition of the sector .

Research methods

In the article, the scientific and theoretical approaches to the topic from the framework of the topic are studied and observed. A direction has been chosen to achieve the goal set in the research. Empirical research methods of observation, collection, grouping and determination of connections between data sources and theoretical research analysis and synthesis methods were widely used.

Main results

Attracting foreign investments to the national economy on a large scale is primarily related to the need to solve the strategy and current tasks. At the time of increasing economic competition in the world, the factor of stability is the expansion of production and gaining a strong position in foreign markets. Especially due to the improvement of the investment environment, during 2019, the volume of investments from all sources of financing reached 220.7 trillion soms, which increased by 2 times compared to the approved forecast for the year. The volume of investments in fixed capital amounted to 189.9 trillion soums, and the growth rate compared to the indicators of 2018 was 1.3 times. The share of investments in fixed capital in the GDP increased from 30 percent to 36.2 percent in 2018, that is, the share of total investments in the GDP was 42.1 percent with the results of 2019.

In the last 20 years, the strategy of social investment has been the main focus of the reform of the social security system. In particular, the expansion of active labor market programs and the development of services for children and the implementation of expenditures for them have always been an important issue on the agenda .

The main tasks of the group assisting foreign investors are as follows:

- providing foreign investors with objective information about the socio-economic reforms, the investment environment and foreign trade regime, the nature and significance of the adopted legislative documents in the Republic of Uzbekistan;
- informing foreign investors about the conditions of conducting business in the country, establishing foreign and joint ventures and organizing their activities;
- assistance to foreign investors in obtaining qualified legal advice, protection of rights and mutual cooperation with judicial authorities;
- foreign investors assistance group ensures that applications received from foreign investors are entered into the "gov.uz" information system without delay;

As a result, a number of enterprises with the participation of foreign capital are being established under the effective use of the favorable conditions created in our country. Determining the placement of enterprises with foreign capital in areas with favorable labor force in all respects will enable positive resolution of employment issues in our country. Due to the favorable investment environment created in our country, enterprises with foreign capital are registered in all branches and sectors of our national economy, and most of them play an important role in the growth of the gross domestic product created in our country, and in providing new jobs for able-bodied workers and employees. They also reduce the level of renewal of the main means of production in the republic, i.e. reduce the coefficient of spiritual and physical wear and tear, reduce the tax burden on legal and individual taxpayers, supplement the income of the state budget, replace imports, produce goods for export, and provide services. and lastly, along with saving free currency, it has been providing close service in increasing their income to the national economy and increasing the stability of the national currency - som. Investments are long-term capital funds directed to business and other objects of activity in monetary, tangible and intangible form in order to obtain current income or to ensure that their value will increase in the future .

Enterprises with participation of foreign capital have been established in all regions of our country, and they have been providing close assistance in the formation of the socio-economic infrastructure of regions, districts and cities in accordance with the requirements of the time. In some regions or cities, the population per capita is higher than expected, while in others it is very low. In particular, as of January 1, 2019, the number of enterprises with foreign capital participation was 7560. Compared to the same period last year, it increased by 2,043 or by 37.0 percent. The main part of these enterprises belongs to the Russian Federation, the Republic of Turkey , the People's Republic of China, the Republic of Kazakhstan and the Republic of Korea. It also corresponds to the account of enterprises operating

with the participation of foreign capital . To be completely sure of this situation, let's take a look at the data of Table 1 below.

Table 1

Composition of joint ventures with foreign capital in the region

t/r	Areas	Number of enterprises	Share in the total number of enterprises, in %
1.	Republic of Karakalpakstan	121	1.6
2.	Khorezm region	71	0.9
3.	Navoi region	109	1.4
4.	Kashkadarya region	85	1.1
5.	Samarkand region	396	5.2
6.	Tashkent region	851	11.3
7.	Tashkent city	4728	62.5

In terms of regions, the main part of the operating enterprises with the participation of foreign capital was in Tashkent city with a total share of 4728, 62.5%, in Tashkent region, 851, 11.3%, and in Samarkand region, 396, 5.2%. The enterprises with the least participation of foreign capital were in Khorezm region 71 0.9%, in Kashkadarya region 85 1.1%, in Navoi region 109 1.4% and in the Republic of Karakalpakstan 121 1.6%.

In our opinion, there are a number of objective reasons and factors for the occurrence of this situation, the main of which are as follows:

Including:

- that the consumers who demand the goods, works and services provided by the joint ventures in the capital have a higher solvency compared to other regions;
- relatively well-organized financial and social infrastructures in the capital;
- since the railway, the airport and most of the ministries and committees are located in the capital, the facilities created for the registration of joint ventures and the import of raw materials and materials or the export of finished products;

- relative sufficiency of financing sources for the enterprise to carry out investment activities for the purpose of reproduction, etc.

Each objective cause and factor mentioned above requires separate study and analysis. Because each of them has its own characteristics and requires specific research. In particular, in January-October 2020, 1,371 enterprises and organizations with participation of foreign capital were newly established, and the total number of enterprises and organizations with participation of foreign capital was 11,475 as of November 1. If we look at newly established enterprises and organizations with the participation of foreign capital, 30.2% in trade, 27.6% in industry, 11.2% in construction, 7.6% in agriculture, forestry and fishing, living and 3.9% in food services, 3.4% in information and communication, 2.5% in health and social services, 2.3% in transportation and storage, and 11.2% in other types. In general, there are a number of macro sources of investment financing, and in this regard, specific statistics are sufficient in each country. In particular, the sources of financing of capital investments in the Republic of Uzbekistan are noted separately, and the sources are coordinated accordingly. In particular, in order to have complete information about the sources of financing of capital investments in the Republic of Uzbekistan, we will look at the information in Table 2. Below, the sources of financing of capital investments in the Republic of Uzbekistan are presented.

Table 2

Financing sources of capital investments

Indicators	Billion soums	Growth rate, in percent	The share of the total, in percent
Investments in equity capital	33387.3	100	100
<i>Including:</i>			
Centralized investments:	8430.1	25.3	7.3
Republic budget funds	1358.1	16	4.1
Fund for the development of water supply and sewage systems	137.1	2	0.4
Recovery and Development Fund	928.8	11.6	2.8
Foreign loans under the guarantee of the Republic of Uzbekistan	6006.1	71	
Decentralized investments :	24957.2	74.7	92.7
Enterprise funding	8666.6	35	26.0
Population funds	3376.0	13	10.1
Guaranteeing and other foreign investments and credits	4945.2	20	
Direct foreign investments	3648.9	15	43.7
Commercial bank loans and other loans	4320.5	17	12.9

As shown in Table 2, the share of capital investments financed from centralized financing sources decreased by 13.0% to 25.3%, or 8430.1 billion, in the volume of total investments. amounted to soum. Accordingly, 24957.2 bln. from the decentralized financing sources. Soums or 74.7 percent of total investments were absorbed, which increased by 13.0 percent compared to the corresponding period of the previous year.

189924.3 billion in January-December 2019. Soums of investments in fixed capital were absorbed, of which 26.6% were financed from centralized financing sources and 73.4% from decentralized financing sources. 8.6% or 16,302.5 soums of the total fixed capital investments were absorbed from the population's funds. In terms of investments in fixed capital from the population's own funds, Andijan, Bukhara, Namangan, Samarkand, Fergana and Khorezm regions have more investments by the population compared to the rest of the regions.

This requires working with foreign partners in these regions, further development of the work to be done in attracting investments. As a result, in our country, modern enterprises that ensure the production of competitive products with high added value based on the deep processing of local mineral raw materials, as a result of comprehensive and effective use of the production and resource potential of the regions, provide employment to the population of each region, reduce the level of unemployment and thus In order to increase the income of the population, special attention is being paid to attracting foreign investments , first of all direct foreign investments, in the regions.

Table 3

Information on funds appropriated within the framework of the 2019 investment program in Kashkadarya region (million soums)

t/r	Sources and sources	2018 year – in reality	2019 year _ in reality
	Total capital funds	-	-
I	Centralized investments	8212628.5	10501555,3
1	Calculation of the budget of the republic	198798,3	781873.9
2	Fund for improving the meliorative condition of irrigated lands	-	171582.8
3	Local budget funds	-	-
4	Funds of the state's special funds	442954.5	-
4. 1	Republic of the Republic of Poland	-	-

4. 2	Children 's sports	45442.4	-
4. 3	Total cost of equipment , reconstruction and capital repair of general education and health care institutions	-	-
5.	Development and reconstruction fund	687263.0	9548098.6
6.	Foreign investments and loans under government guarantee	6838170.3	-
II	Decentralized investments	7405643.0	7697479, 8
1	Own funds of enterprises	3736427.8	3507776.1
2	Foreign direct investment and loans	1560128.7	2413671.0
3	Bank credit	710195.8	388527.6
4	Population funds	1398890.7	1387505,1

It should be said that the funds raised in the region under the Investment program for centralized investments amounted to 10501555.3 million soums in 2019, which increased by 2288926.8 million soums compared to 2018 . In 2019, the amount of the Development and Reconstruction Fund amounted to 9,548,098.6 million soums, compared to 2018, it increased by 8,860,835.6 million soums. As for decentralized investments, they increased by 291,836.8 million soums in 2019 compared to 2018. In 2019, compared to 2018, the funds of enterprises from their own funds decreased by 228,651.7 million soums. Foreign direct investments and loans increased by 853,542.3 million soums in 2019 compared to 2018. The indicator of bank loans in 2019 decreased by 321,668.2 million soums compared to 2015. In 2019, the funds of the population decreased by 11,385.6 million soums compared to 2018. It can be seen from the data that it is necessary to increase the mechanisms of attracting foreign investments to the region.

CONCLUSIONS AND SUGGESTIONS

In conclusion, it should be said that attracting foreign investments to the national economy on a large scale is related to the need to solve the strategic and current tasks of the transition period. In order to increase the foreign investments that are attracted to our economy today, it is necessary to bring the investment environment up to the level of standards set on a global scale. At the same time, it is of urgent importance to identify the factors hindering the flow of investments, to find ways to eliminate them. Therefore, direct investment has become an important source of external financing for our country, which has a great economic impact in terms of implementing innovative technologies and improving management. Therefore, one of the most important issues is economic stimulation of enterprises attracting foreign investments to our country and creation of necessary conditions for them.

That is why it is important to implement the following measures to activate the attraction of foreign investments to our national economy:

firstly, to carry out a purposeful advanced policy aimed at deepening structural changes;

secondly, to attract investments to the sphere of real production, i.e. to industries that process raw materials;

thirdly, in order to ensure the competitiveness of local products in the world market and to increase the export potential of the country, comprehensive support of sustainable industries ;

fourth, to improve the system of implementation of mutually beneficial projects with foreign economic entities and to establish free investment economic zones with them;

fifth, systematic development of the industry by attracting investors to places with existing infrastructure and favorable development;

sixth, to strengthen efforts to attract long-term, low-interest direct foreign credit resources;

Seventhly, based on foreign experience, the establishment of state-supported funds for foreign investors. Implementation of the above proposals will have a positive effect on the further activation of foreign investment attraction in our national economy. In the end, this situation makes it possible to fully implement the investment policy in our country in the future on the basis of continuous modernization of production from a technical and technological point of view, implementation of deep structural changes in the economy, continuous continuation of modernization and diversification of industry.

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