

THE ROLE OF FOREIGN INVESTMENTS IN THE DEVELOPMENT OF THE REGIONAL ECONOMY

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“Optika aloqa tizimlari va tarmoqlari” kafedrası katta o‘qituvchisi

Abstract

This article discusses the importance of investments, in particular foreign investments, in the economic development of the region, the work being done to attract investments, the efforts made to take the region's place in world trade.

Keywords: Foreign trade, direct investment, export, import, foreign investment, investment climate, investment attractiveness, economic reforms.

Introduction

Currently, in the context of globalization, investments, including foreign investment, play an important role in the accelerated development of the national economy and ensuring macroeconomic stability and high rates of economic growth in the economy of our country. Today, the further development of the economy of Uzbekistan and the world depends mainly on investments.

The acceleration of globalization processes in the world today entails an increase in the possibility of attracting foreign investment in the economy of the region. The state is also taking measures in this regard. In particular, the investment policy strategy of the Republic of Uzbekistan until 2025 sets the main goal of the investment policy to increase competitiveness and balance of the economy, develop production and export potential, develop regions and improve the well-being of the population, increase the share of centralized investments in GDP by 37.5% by the end of 2025, that is, 1,002.5 billion soums. [1]

In accordance with the Decree of the President of the Republic of Uzbekistan No. UP-158, the Strategy "Uzbekistan-2030" was developed, which aims to further increase the investment attractiveness of the country, absorb investments in the country in the amount of \$ 250 billion, including \$ 110 billion in foreign investment and \$ 30 billion in public-private partnership, maintain an investment rating of the regions, exploiting the capabilities of each territory its main goals were set out to further increase its attractiveness to investors.

¹Strategy of the Investment Policy of the Republic of Uzbekistan until 2025.

Attraction of foreign investment into the country's economy plays an important role in accelerating the expansion of its economic capabilities, creating domestic opportunities and reserves in all spheres, ensuring the economic development of our country. [2]

Literature Review

Today, the issue of foreign investment has become one of the important areas of economic research. Several scientists have done economic research in this field.

In particular, in the scientific research of the economist E.R. Orlova it is defined that "the investment attractiveness of the region reflects the initial objective factors of investment and is quantitatively reflected in the volume of capital investments attracted to this region, based on the specific investment potential of the region and the level of non-commercial investment risk". [3]

Also about the essence of foreign investment in the scientific works of Doctor of Economic Sciences N. Kuzieva: "Transfer of various types of wealth (real estate, real estate, intellectual property, etc.) and income from them (profits, interest, dividends, license and commission, royalties, technical support, etc.) to the countries receiving capital of foreign countries, legal entities and individuals for further profit. awards) is called foreign investment."

D.G. Gozibekov in his scientific works managed to interpret the essence of investment as a financial category. U-Investments defined that the content of investments will consist of obtaining funds from clear and reliable sources, mobilizing them justifiably, preserving the cost of capital, taking into account the level of risks, and obtaining the desired result.

In addition, according to economists G.M. Galeeva and E.N. Kadeeva: the main factors for attracting foreign direct investment are access to markets and resources. The concentration of foreign capital only in certain regions and in certain sectors limits the development of the economies of other regions, primarily affecting the economies of regions with which there is no industrialization.

² Decree of the President of the Republic of Uzbekistan on the Strategy "Uzbekistan-2030". 11.09.2023. PF-158.

3Orlova E.R. (2003) Investments. Course of lectures. 2nd ed., add. and trans. Moscow, Omega-L, 15b.

Research Methodology

This article examines the work to be done in the economic development of the country and rational conduct of foreign economic activity, one of its main directions is to attract foreign investment in the republic. The work carried out to attract foreign investment, the level of our country in the international arena, the measures taken to ensure the country's place in world trade are analyzed.

Analysis and Result Discussion

The great role of foreign investment in the development of the national economy

It is explained by:

– introduces modern techniques and technologies into production, develops the production of export-oriented products;



- creating the production of import-substituting goods and thereby directing foreign investment to priority sectors of the economy and ensuring the standard standard of living of the population;
- provides jobs for a growing population by developing small business, private entrepreneurship and accelerating agricultural production;
- modernizes and re-equips the obsolete production capacities, material and technical base of enterprises;
- assists in the creation of enterprises processing natural resources, increases tax revenues to the state budget. [4]

Currently, the following factors determine the rapid growth of the flow of foreign investment into the economy of Uzbekistan:

- 1) stability of the investment climate in the country;
- 2) positive changes in exchange rate regulation;
- 3) determination of specific directions for the improvement of the tax mechanism of the country;
- 4) the development of decisions and laws regulating the activities of foreign investment in the tax legislation;
- 5) the emergence of a favorable price environment for exporters in world commodity markets. [5]

The need for creating an added value chain through the widespread use of special zones in the regions and the possibilities of industrial cooperation in the implementation of new investment projects was emphasized. It was noted that the heads of industries and regions should work closely with industry to solve investment issues, pay the main attention to diversifying the economy in the regions, creating new jobs.

Conclusion

The increasing number of new enterprises with participation of foreign investment and the creation of new ones are the result of the attention of the state to this area and the convenience provided to them. In this regard, one of the most important issues is economic stimulation of enterprises attracting foreign investment in our country and creating the necessary conditions for them. Therefore, in order to intensify the attraction of foreign investment in the national economy, it is necessary to implement the following measures:

The first is to reduce the impact of inflation on the growth in value of investment projects, as well as to further increase the volume of foreign investment;

secondly, investments should be directed towards real production, i.e. raw materials. involvement in processing networks;

Third, creating a more favorable investment environment for foreign investors in order to further improve the incentive system, in particular, to reduce the tax burden and simplify the tax system even for investors;

Based on the above, it will improve the investment conditions in the country, improve the macroeconomic situation, strive to achieve economic stability and ensure economic growth.

This not only provides an attractive investment climate for foreign investors, but also activates domestic investment processes.

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