THE IMPORTANCE OF FOREIGN INVESTMENTS IN THE ECONOMIC DEVELOPMENT OF THE COUNTRY

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Abstract: Stable socio-economic development of the Republic of Uzbekistan and growth of global competitiveness cannot be achieved without an effective investment policy of the state aimed at increasing the attractiveness of the investment environment of the country, regions, economic sectors and individual enterprises. It is known from world practice that any country cannot develop without attracting foreign investments to its economy. Development of production, renewal of basic funds, elimination of social problems, increase of competitiveness of products produced on the basis of modern techniques and technologies, and strengthening of export potential of the country are ensured through investments. The main factor in the consistent implementation of structural changes in Uzbekistan is the attraction of foreign investments to our economy and the creation of a favorable investment environment for them. In this article, a set of economic, political, regulatory, social and other conditions plays a key role in attracting foreign investments. Such opportunities include natural conditions, including mineral reserves, the level of skill and average labor force, the capacity of the domestic market and the ability to sell goods on the foreign market, the state of the credit system, the level of taxation, production and social infrastructure. development, the state policy towards foreign capital, the establishment of preferential conditions for it, etc.

Key words: Investment, right of continuous use, market, demand, credit, tax, infrastructure, foreign capital, labor force, market capacity, financial support.

As a result of economic reforms in our country, a number of positive results were achieved in the field of transition from an economy based on administrative

command to a socially oriented market economy. In world practice, it is becoming important to introduce mechanisms for attracting foreign investments and placing them in promising and high-tech sectors of the economy, developing the practice of financing investment projects at the national and regional level, increasing the attractiveness of the investment environment, and ensuring the mutual compatibility of investment attraction activities. On the effective attraction of investment projects, the President of the Republic of Uzbekistan Sh.M. Mirziyoyev said, “If we can carefully formulate investment projects for foreign investors who want to invest in our economy, we can achieve a positive result in this matter”.1

In fact, the President emphasized that the most important task of the government should be the unconditional implementation of projects involving foreign direct investments, and comprehensive assistance to foreign investors.

In 2022-2024, the implementation of programs for further economic reform, structural change and diversification made it possible to ensure a high growth rate of the gross domestic product of 7.8% in 2016. In the last 10 years, GDP has more than doubled. In 2022, Uzbekistan ranked seventh among 127 countries in the ranking of world countries by the GDP growth rate of the international consulting company “Focus Economics”. By the end of 2016, the volumes of agricultural and industrial products increased by 6.6%, construction and contracting works by 12.5%, retail trade turnover by 14.4%, and services by 12.5%. GDP per capita increased by 5.9 percent. The state budget was executed with a surplus of 0.1 percent compared to the gross domestic product. A positive balance of foreign trade turnover was ensured. The inflation rate did not exceed forecast parameters and amounted to 5.7 percent. In 2023, investments in the amount of 16.6 billion

1 Mirziyoyev Sh.M. Ensuring the rule of law and human interests is the guarantee of the country's development and people's well-being. Speech at the solemn ceremony dedicated to the 24th anniversary of the adoption of the Constitution of the Republic of Uzbekistan. December 7, 2022/Sh.M. Mirziyoyev. - Tashkent: "Uzbekistan", 2017. - 48 p.

US dollars or 9.6% more than in 2022 were directed to the economy.2

The volume of foreign investments and loans has increased by 11.3% and exceeded 3.7 billion dollars. The implementation of 164 large investment projects with a total value of 5.2 billion dollars has been completed. The world economy is developing rapidly. Joining this development process of our country, developing together with it and experiencing changes, in order to have great strength and high development of our country, without ignoring the achievements and shortcomings, opportunities and conditions in the socio-economic life of the country. The most important task is to find ways to achieve the desired level and results, to use them to the maximum, to implement all necessary measures for this. Among them, it is important to actively attract foreign investments to the national economy and increase the efficiency of their use. After all, the active attraction of foreign investments in the economy is to achieve a number of positive results. The effective implementation of investment projects in the development of the economy of Uzbekistan, the introduction of import-substituting goods production, the introduction of modern techniques and technologies, the development of the production of products intended for export, and the acceleration of the production of the growing population providing jobs is being achieved.

Today, our country is making many achievements in every field. The reforms carried out by our government and the positive results of these reforms ensure the constant increase of the main macroeconomic indicators of our country. Macroeconomic indicators are an important factor showing the socio-economic potential of the country.

In 2021-2021, the implementation of programs for further economic reform, structural change and diversification made it possible to ensure a high growth rate of the gross domestic product at the level of 7.8% in 2022. In the last 10 years,

2 Mirziyoyev Sh.M. Ensuring the rule of law and human interests is the guarantee of the country's development and people's well-being. Speech at the solemn ceremony dedicated to the 24th anniversary of the adoption of the Constitution of the Republic of Uzbekistan. December 7, 2022/Sh.M. Mirziyoyev. - Tashkent: "Uzbekistan", 2017. - 48 p.

GDP has more than doubled. In 2016, Uzbekistan ranked seventh among 127 countries in the ranking of world countries by the GDP growth rate of the international consulting company “Focus Economics”. By the end of 2022, the volumes of agricultural and industrial products increased by 6.6%, construction and contracting works by 12.5%, retail trade turnover by 14.4%, and services by 12.5%. GDP per capita increased by 5.9 percent. The state budget was executed with a surplus of 0.1 percent compared to the gross domestic product.

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In 2022, the main factors of stable high economic growth were:

- maintaining macroeconomic balance. Along with the reduction of the tax burden for economic entities, a positive balance of foreign trade turnover and a low level of inflation of 5.7%, a surplus of 0.1% of the state budget compared to GDP was ensured;

- protection and rapid development of private property, entrepreneurship and small business interests. In order to support business activities and organize small productions, during 2022, around 16 trillion soums of loans were allocated for small business entities, or 1.3 times as much as compared to the previous year, of which 3, Microloans amounted to 3 trillion soums. The measures taken to create a business environment, to further encourage the development of small business and private entrepreneurship, and to provide all-round support created the foundation for the establishment of 32,000 new small business entities in 2022. As a result, the share of small business in GDP increased to 56.9% (56.5% in 2021), in industry to 45% (40.6%), in investments to 40.3% (36.3%) and to 78.1% in employment. (77.9%) increased;

- the implementation of systematic measures for the reform, modernization and diversification of agriculture ensured a 6.6% increase in the volume of agricultural products;

- the rapid development of the service sector, especially modern services based on information communication and technologies, led to an increase in the share of the service sector in GDP from 48.6% in 2021 to 49.5% in 2016.

As part of the implementation of the program for the development of the service sector in 2022-2024, in 2016, 14,600 new facilities were established in the service sector, 194 new household service complexes were launched, and 54 new hotels were built. As a result, the volume of provided services increased by 12.5%, including communication and information services by 11.7%, financial services by 19.2%, motor transport services by 16.4%, trade by 14.7%, living and catering services grew by 11.7%.

- the well-being of the population due to the stable high rates of economic growth and the implementation of programs to ensure the employment of the population, as well as the increase of the monthly salary of employees of budget organizations by 15%, pensions and social benefits by 12.1% and Gross real income increased by 11%. This, along with measures to stimulate consumer demand, ensured a 14.4% increase in retail turnover.

The reforms implemented in our country, the practical measures and programs implemented by our government regarding the deepening of these reforms and the modernization of the country are of great importance in ensuring the continuous increase of the main macroeconomic indicators describing the economy of our country, and at the same time, they are of great importance in ensuring the socio-economic development of the country. is coming The main macroeconomic indicators of our country are increasing not only quantitatively, but also qualitatively. That is, the composition of the gross domestic product produced in our country has also changed qualitatively, and the share of industry and services in the composition of the gross domestic product is increasing year by year. We can see a clear proof of this in the table above.

121.8 trillion from the total sources of financing for the development of economic and social spheres in the Republic of Uzbekistan in 2024. soums were

appropriated. 11.0 billion in dollar equivalent. USD. was absorbed and was 109.4% compared to the corresponding period of 2023.

56.8% or 69.1 trillion of investments in fixed capital in 2024. 43.2% or 52.7 trillion soums were financed from the funds raised, from the own funds of enterprises, organizations and residents. Soum was financed. In the volume of total investments, the share of capital investments financed from centralized financing sources decreased by 6.1 percentage points compared to the share in the corresponding period of 2023, to 12.0% or 14.6 trillion. amounted to soum.

Accordingly, 107.2 trillion from decentralized sources of financing. Soums or 88.0% of total investments were absorbed, which increased by 6.1% compared to the indicator in the corresponding period of 2023. In January-June 2024, investments in fixed capital financed from the own funds of enterprises and organizations - 41.5 trillion. soums or 34.1% of the total capital investments.

16.0 trillion in the Republic of Uzbekistan from investments financed by direct foreign direct investment. Soums, or 13.2% of the total investments, with a decrease of 1.1 percentage points compared to the indicator in the corresponding period of 2022. It was noted that the highest growth rate of investments in fixed capital by sources of financing was observed in investments financed from the own funds of enterprises and organizations, which increased by 135.0% compared to the corresponding period of 2024.3

26.8 trillion due to unguaranteed and other foreign investments and loans. Soum investments were absorbed, and its share in the volume of total fixed capital investments decreased by 0.2 percentage points compared to the corresponding period of 2021 and amounted to 22.0%.

Large-scale work was carried out on the fundamental improvement and simplification of the mechanisms for the implementation of investment projects, and the expansion of investment, especially foreign direct investment.

3 Statistical Office of Uzbekistan www.stat.uz

According to the above regulatory documents, permission was granted to import property from abroad to contribute to the charter fund of joint ventures in the territory of Uzbekistan, as well as enterprises operating only with foreign capital.

It should be noted that in order to create the most favorable investment environment for attracting direct investments in the country, liberalization of the economy, reform of public administration, limitation of interference in the activities of business entities, reduction and simplification of licensing and permitting procedures , wide-scale measures have been taken to ensure free access to goods (works and services), as well as to create the necessary infrastructure in the regions.

Tax policy and customs-tariff regulatory reforms aimed at reducing the tax burden and simplifying the taxation system for investors, supporting a healthy competitive environment, are being implemented rapidly.

According to the data, in 2023, 6.6 bln. foreign direct investment in dollars. Businessmen from Russia, China, Germany and South Korea invested the most in the economy of Uzbekistan, and the total number of countries that made investments was 37. 15 billion by the end of 2023. export of dollar goods was carried out. The main sources of investments are state external debt, funds from the Reconstruction and Development Fund, unsecured foreign loans and direct foreign investments, as well as the ratio of commercial bank loans to GDP in 2022 was 23.1 percent. By the end of 2021, this figure was 20.1% of GDP.4

In particular, 120 trillion in 2024 by commercial banks. it is planned to finance large investment projects in the amount of soums. In order to consistently continue work in the field of construction and textiles, the value of 109 trillion for the years 2022-2023. More than 1 thousand 277 investment projects have been formed. About 4.9 bln. USD is expected to correspond to foreign investments and

4 Data for the end of 2022 were used.

loans. These efforts will create about 86,000 jobs. In 2024, as a result of the implementation of 226 large projects, 7.5 bln. It is aimed to absorb foreign direct investments in excess of USD. It is planned to implement 69 promising new industrial projects and create an additional reserve for economic growth. In this, special attention is paid to the chemical, energy, mechanical engineering, geological, electrical engineering, pharmaceutical and light industrial sectors, which are the main driving sectors.

In conclusion, we can say that the content of the economic reforms carried out in our country is the successful introduction of a socially oriented market economy. The laws adopted in our country create clear socio-legal foundations for the formation of a multi-level economy, which allows for the widespread use of socially oriented market relations.

The influence and position of Uzbekistan in the international economic arena is growing significantly and regularly. In this case, the head of our country, Shavkat Mirziyoyev, carefully developed the strategy of socio-economic development, the goals and tasks of economic reforms, and the clear and correct indication of the ways of implementation, made it possible to achieve significant achievements and milestones on the way to the main goal created.

By implementing investment projects, it allows to make fundamental changes in the economy, and it serves as a guarantee of development and creation of new jobs in the economy. In the conditions of modernization of the economy, it is impossible to imagine bringing modern technologies to our country and carrying out the processes of updating and modernization of industrial production without investment activities. Attracting investment projects not only improves the state economy, but also has a great effect on improving the standard of living of the population. That is, a large part of household needs will be satisfied, production will expand, new labor forces will be formed, the old and heavy work life will be changed to a new, light and effective work activity. The level of future economic growth of the state will be determined by the investment projects and investment

processes involved today. At the current stage of market reforms in our country, investment policy is an important factor determining stability, structural and qualitative changes in the economy. The ongoing investment policy makes it possible to create an all-round favorable investment environment for foreign and local investors in our country.

The main goal of the investment policy implemented in our country in recent years is to export the products or services of enterprises established with the participation of foreign investments. For this purpose, it is important to reorganize the activities of enterprises based on our local enterprises, to participate in them, that is, to participate in the decision-making of the parties based on the share of shares, and most importantly, to achieve an increase in the competitiveness of the products or services of enterprises with foreign investments in the foreign market. In our opinion, the implementation of the above recommendations will allow the active involvement of investment projects in the national economy and ensure the stability of the investment environment.

The use of various methods for attracting foreign investors is already bearing fruit. An active and well-directed investment policy is the most important factor in rapid and proportionate economic growth, implementation of deep structural changes and diversification of the economy. Uzbekistan was able to create a unique investment climate, and the fact that the country is rich in resources and the wide opportunities given for the establishment of enterprises in the field of extraction and processing, as well as the modernization of the existing ones, created the ground for the entry of foreign investors.

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