



# FAN, TA'LIM VA AMALIYOT INTEGRATSIYASI

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IMPROVING THE EFFICIENCY OF FOREIGN INVESTMENT BASED ON  
ENSURING THE ATTRACTIVENESS OF THE INVESTMENT  
ENVIRONMENT

**Annotation:** The article examines the processes involved in attracting foreign investment to the national economy and improving ways to use them effectively. The impact of factors influencing the process of attracting and effective use of foreign investment on the efficiency of investment activity in the country was assessed. The existing shortcomings in the field of attracting and effective use of foreign investment have been identified. Scientific proposals and practical recommendations for improving the system of attracting foreign investment in the national economy have been formed.

**Key words:** Investment activity, investment potential, investment attractiveness.

## Introduction

Accelerated development of the Uzbek economy and the introduction of innovations in production, as well as macroeconomic stability in the economy and investment, including foreign investment, plays an invaluable role in ensuring high rates of economic growth. Increased attention to investment to date has led to the development of investment activity in our country.

It should be noted that a broad and comprehensive analysis of the concrete achievements and successes in this area, important practical conclusions on this basis, among the most pressing issues for further attention in determining the priorities and development programs of our country, of course, focuses on foreign investment.

In his Address to the Oliy Majlis, President of the Republic of Uzbekistan Sh.M.

Mirziyoyev said: “World experience shows that a country that pursues an active investment policy has achieved sustainable growth of its economy. That is why investment is the driver of the economy, in Uzbek, the heart of the economy. We will achieve rapid development of our economy only by actively attracting investment and launching new production facilities. Positive results in the economy provide an opportunity to systematically address the problems that have accumulated in the social sphere. We all need to understand this deeply and organize our work on this basis. In order to attract foreign investment, we must take measures to fully demonstrate the investment potential of our country, which is one of the most pressing issues in our daily lives," he said. [1]

A number of measures aimed at increasing the investment attractiveness of the economy, improving the system of effective use of existing investment potential are specified in the Resolution of the President of the Republic of Uzbekistan dated April 29, 2019 No PP-4300 In this regard, priority is given to improving the efficiency of attracting foreign direct investment in the economy of the republic, informing foreign investors about the opportunities and potential of our country [3].

Based on the above, it is important to conduct research aimed at ensuring the compatibility of state and market mechanisms in attracting foreign investment to the national economy and the formation of ways to use them effectively, investment potential, investment risk level, priority in attracting regional competitive advantages.

#### **Analysis of the relevant literature**

A number of research studies in the field of attracting foreign investment in the national economy and the formation of ways to use them effectively are of particular importance in the research of foreign economists C. Liesbeth, M. Miet, S. Joe. According to researchers, the transition period

The process of economic liberalization is an important factor in improving the system of attracting foreign direct investment. The attraction of technology and knowledge to national enterprises through direct capital accumulation and technological know-how ensures stable rates of economic growth [4].

P. Mihaela, A. Waqar, H. Helian studies the institutional mechanism of attracting foreign investment in the national economy. According to the results of the study, institutional quality changes in the country's economy have a positive impact on the system of attracting foreign direct investment [5].

VD Andrianov's research has studied the theoretical foundations of the investment potential of the national economy, the concepts in the field of investment potential are theoretically generalized, it is advisable to use the system of financial incentives to increase it [6].

In her research MV Charaeva studied the conceptual basis of the process of financial management of real investments of organizations. Features of strategic financial management of real investments in the context of innovation-oriented economy are described [7].

T.V.Uskovao's scientific research argues that the task of ensuring high rates of

economic growth is of strategic importance, the solution of which requires the transition from the export of raw materials to an innovative model of the economy, in which investment is key [8].

MM Prusak emphasizes that the modernization of the economy and the provision of real conditions for economic growth require the intensification of investment activities in the country as a whole and in the regions [9].

NG Karimov studies the processes associated with the introduction of a system of sustainable tax legislation and the formation of a program to attract foreign investment in the economy, taking into account the macroeconomic, legislative and administrative conditions and opportunities for foreign investment enterprises [10].

Through his research, U.S. Nodirkhanov explores ways to increase investment activity at the regional level, assess the investment climate in the regions, and create a favorable investment climate with government support for preferential investment projects [11].

D.Gozibekov, E.Nosirov's research studies the processes associated with the effective implementation of measures to reduce the tax burden, increase the role of stock markets, create a favorable investment and business environment for attracting foreign private investment [12].

The research of D.Sh.Bababekova, B.O.Tursunov is based on the role of active investment processes in the formation of a competitive economy, foreign experience in building a competitive economy through active investment and opportunities for its effective use [13].

F.U. Umarov's research analyzes the organizational and economic mechanisms and specifics of expanding the scope of investment in relevant sectors and industries of the economy [14].

A. Burkhanov's research has studied the scientific and theoretical aspects of attracting foreign investment to the regions, based on the problematic aspects of attracting foreign investment to the regions and developed proposals to address them [15].

In the scientific researches of R.H Bozorov the factors, features of the investment climate, attraction of foreign investments are directly connected with participation of the national economy in the international indices [16].

The above research, aimed at substantiating ways to attract foreign investment to the national economy and its effective use, explores the possibility of ensuring an active pace of investment processes and economic growth through the creation of macroeconomic conditions. processes related to the role of the capable consumer market have not been studied.

### **Research methodology**

The methods of attracting foreign investment to the economy of Uzbekistan and their effective use are widely used to study the experience of foreign countries, statistical data and economic comparison and analysis, logical thinking, scientific abstraction, data grouping, analysis and synthesis, induction and deduction.

### Analysis and results

The demand for investment in the economy, the lack of funds for investment requires the efficient use of investment resources, because more profit can be made as a result of the efficient use of invested capital.

A necessary component in the management and evaluation of investment projects is the financial and economic analysis of the country proposing the project. In order to develop the investment activities of the national economy and improve their financing, it is necessary to pay special attention to the study of the financing experience of developed countries and the use of positive achievements in their practice.

Based on the above, in order to increase the efficiency of investment in the economy of the country, financial issues related to the investment climate and problems in financing investment activities are being addressed in a systematic manner.

The long-term viability of the investment strategy depends on the generality of investment resources, the methods, means and forces of influence used by public authorities to place investments within the sector and the enterprise. The structural direction of the process includes the following elements:

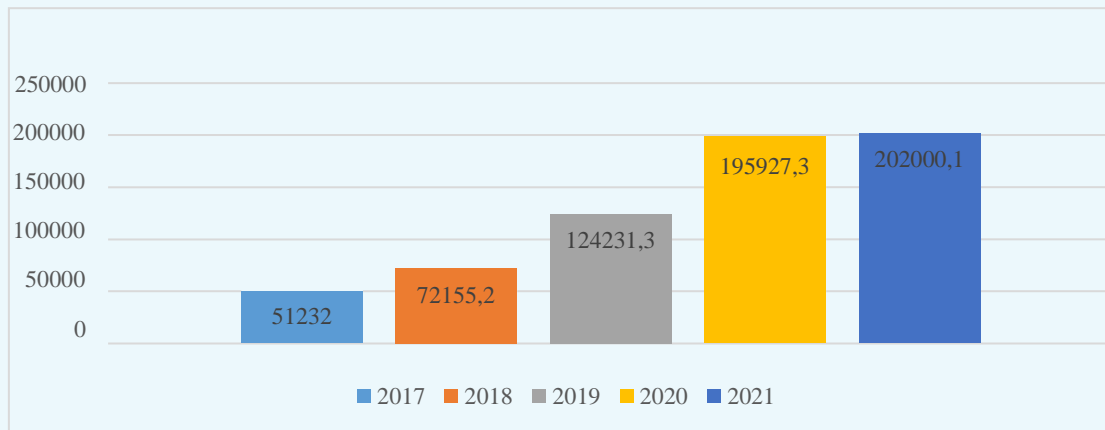
- compliance of investment strategy with tactical and strategic management criteria;
- the interrelationship between the various elements of investment activity management factors to achieve the goal;
- management resources, material, technical, financial, social, institutional and other resources used in the chosen management style and achieved.

A well-thought-out investment policy plays an important role in ensuring the rapid pace of economic development and maintaining macroeconomic stability in the country. Indeed, investments as an important factor in the development of the economy provide incentives for modernization of production, technical and technological innovations and innovations, the creation of new jobs and increase the income of enterprises. The importance of the issue can be seen in the fact that over the years, an investment policy has been pursued aimed at steadily increasing investment flows.

Indeed, in recent years the scale of measures aimed at increasing the volume of investment has increased significantly, both legally and practically. In particular, as a result of the active investment policy in the country there is a positive growth in the dynamics of investment flows (Figure 1).

**Fig 1.**

**Figure 1. Volume of fixed capital investments in the Republic of Uzbekistan in 2017-2021, billion soums [15]**



The data show that the volume of disbursed investments is growing rapidly. Even in the context of the global economic downturn and crisis caused by the coronavirus pandemic in 2021, it can be seen that the volume of investments in our country has increased by 4 times compared to 2017.

The fact that the growth rate of investment in 2020 alone amounted to 3% is directly related to the pandemic conditions. However, growth in 2019 is 57.7 percent, the highest in five years. It is noteworthy that the rapid growth of investment is a practical result of a long-term and well-thought-out investment policy in the country.

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