

# THE IMPORTANCE OF FOREIGN INVESTMENTS IN THE DEVELOPMENT OF THE ECONOMY OF UZBEKISTAN

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## ABSTRACT

The article describes ways to improve the development of the economy of the Republic of Uzbekistan, to ensure its integration into the world economy, and to attract foreign investments for the establishment of joint modern compact enterprises that produce finished products based on the processing of valuable raw materials.

**Keywords:** "open door" policy, foreign investment, economic policy, strategy, export opportunity, investment activity.

In the conditions of the market economy, the implementation of the "open door" policy in attracting foreign investments to the country's economy is of great importance in ensuring the Republic of Uzbekistan's entry into the world community and its position in the world market. This is based on the establishment of mutually beneficial foreign economic relations and regular attraction of foreign investments using the experience of developed countries.

That is why, from the first days of our independence, the First President of the Republic of Uzbekistan I. Karimov drew everyone's attention to the idea of establishing contacts with foreign investors, gaining their trust, and constantly expanding the flow of foreign investments into our economy.

The First President of the Republic of Uzbekistan, I. Karimov, in his work entitled "Uzbekistan is a unique way of transition to market relations", while indicating the priority tasks in foreign trade, economic, scientific and cultural relations, connecting one of them with foreign investments, "... foreign investments, mainly direct capital funds to create the necessary, legal, socio-economic and other necessary conditions for attracting such investments to the economy of the republic on a large scale, to assist in the establishment of joint ventures, as well as to ensure the protection of the interests of investors.

Of course, it is necessary to develop measures to stimulate production and investment activities and to continue improving them in the future, as the priority directions of economic policy in improving our economy. Because, as mentioned above, it is necessary to bring foreign technologies and establish complex modern joint ventures, develop competitive products during technical and technological updating of enterprises, and ensure that they have their own buyers in the foreign market.

## Analysis of Literature on the Topic

Among the scientific literature devoted to the study of the economic content and essence of investments, as well as foreign scientists, CIS countries, including Russian economists P.I. Vakhurin and A.S. Neshitoy[1], N.V. Igoshin[2], S.V. Valdaitsev, P.P. Vorobev and others [3] Ya.S. Melkumov[4], G.I. Ivanov[5], V.P. Zhdanov[6] managed to conduct significant scientific research. S.S. Ghulomov, M.Q. Pardaev, O. Yu. Rashidov, B. B. Berkinov, B. Goyibnazarov, D. G'. Gozibekov and others conducted deep

research.

This issue requires more serious attention, especially considering the conditions of modernization of the current economy. Taking into account the relevance of the problem at the present time, it was accepted as a topic for research work, goals and tasks were defined.

Since the first years of our independence, the priority directions of Uzbekistan's economic policy have been defined, according to which the development and deepening of the investment base is considered as a very important condition of the reform strategy (Figure 1).

It is known that no country in the world has been able to achieve development and economic development without attracting foreign investments [7]. That is why this work has become one of the priorities in the economic policy of our country. In the Republic of Uzbekistan, this policy is implemented based on the following principles:

- Liberalization of foreign economic activity;
- Formation of the legal basis, socio-economic and other conditions ensuring the attraction of capital funds to the economy of the republic;
- Regularly conducting an open door policy towards foreign investors who supply technologies that meet the requirements of world standards and help build modern structures of the economy;
- Spending funds on the most important priorities related to the development of competitive production.

In this regard, the existing legislation in our country provides a number of guarantees and privileges to foreign investors. At this point, recognizing the necessity of foreign investments in our economy:

it is necessary to gain the trust of foreign investors in the investment policy of the Republic of Uzbekistan, the rule of law, and most importantly, as a strong partner capable of solvency. For this, it is necessary to create legal, socio-economic and other necessary conditions for wide attraction of foreign investments in our economy, mainly in the form of direct capital investments, to support the establishment of joint ventures, as well as to improve the protection of investors' interests.

Of course, every foreign investor investing in the country is attracted not only by its rich opportunities, but also:

- First of all, the stability of the social and political situation in the republic;
- Clarity of prospects for economic development;
- Consistency of economic reforms carried out in the republic;
- They are also interested in the fact that the preferential conditions of the laws on foreign investments are correctly defined.

As we attract foreign investments, it will be difficult to solve the task of fundamentally changing the structure of the economy without mobilizing internal savings sources and without the enterprises themselves being engaged in active investment work.

In the investment policy, the main focus should be on stimulating the search for funds for the expansion of production, restructuring and technical rearmament of enterprises.

As foreign investments are attracted to the country's economy, our main task is to use the investments from foreign countries, and we will achieve our goal only by turning the region that supplies raw materials into a country that produces finished products.

## **Analysis and Results**

At the initial stage of reforms, the introduction of foreign investments into the national economy was assessed as the future of entrepreneurship [8]. Based on the results of using this opportunity. Practical steps have been taken to ensure the solution of the specified events and tasks. A wide system of incentives for attracting investments was created based on predetermined principles in the implementation of measures to attract foreign investments. Preferential tax was introduced for foreign investors. Benefits and incentive factors are defined. In this regard, the following should be mentioned:

- Enterprises whose export of goods (works, services) makes up at least 30 percent of the volume of production, regardless of the form of ownership, were given the right to pay profit tax twice less than the current rates;
- The republic was exempted from paying taxes on projects included in the state investment program for a period of five years;
- The part of the income of enterprises with foreign investments, which is spent on expanding production and updating technology, was exempted from tax;
- He was given the opportunity to export the product he produced without a permit;
- Permission was granted to import property from abroad to contribute to the charter fund of joint ventures and enterprises operating only with foreign capital in the territory of Uzbekistan;
- Natural and legal persons, including foreigners, were ensured to freely participate in the process of privatization of state property, including large-scale sale of real estate.

For the implementation of investment projects, the use of land plots and their disposal, purchase on the basis of selection was determined. Along with these, guarantees were given to foreign investors to protect their assets from state seizure and confiscation.

They were guaranteed the opportunity to transfer the profits and other money received as a result of their activities abroad, to use the received profits in the form of reinvestment in the territory of the republic, to have an account in the banks of the republic with an unlimited amount of funds in it in any currency.

Attracting foreign investment to the country's economy is one of the main aspects of foreign economic activity. For this, first of all, it is necessary to create favorable conditions, that is, infrastructure. Because whoever wants to use foreign investment in their activities, it is necessary to create an infrastructure accordingly.

Another way to attract foreign investment to the economy is to establish joint ventures based on existing plants and factories.

In the second stage of economic reforms, taking into account the results of the practice of attracting foreign investments, taking into account their entry into the sectors that bring quick profits, it was considered to introduce a system of stimulating investment activity. In order to increase the production, the task was set to create a powerful mechanism for stimulating the investment activities of enterprises and residents.

## **Conclusions and Suggestions**

The essence of investment relations is expressed in the scope and level of the participants of this activity. The existence of separate investment relations, which reflect the objective conditions of the development of investment activity, requires that it be an independent subject of regulation. From the point of view of law, the regulation of investment activity covers general legal and private legal

regulatory norms. The unity of these norms expresses the nature and essence of social and individual investment relations and becomes a method of their regulation.

Regulatory methods consist of ways of influencing the nature of both individual and socially necessary investment relations.

The development and deepening of the investment base is defined as a very important condition of the strategy of reforms carried out in the country, and in order to carry out a strong investment policy, it is necessary to implement the following priority tasks:

First of all, it is necessary to carry out a policy with a specific goal of further liberalization of foreign economic activity. In this case, the introduction of a preferential procedure for the free use of the income of foreign investors in the export and import of goods:

- Secondly, to further improve the legal, socio-economic and other conditions for wide attraction of foreign investments, mainly investments in the form of direct capital funds, to the economy of the Republic;
- Thirdly, conducting an open-door policy towards foreign investors who will help to create a modern structure of the national economy that will bring world-class technologies to Uzbekistan;
- Carry out a door policy;
- Fourthly, funds should be spent on the most priority areas - the development of the agricultural sector, the fuel and energy complex, and other basic industries, which ensure the independence of the republic, and the development of production of ready-made products capable of competition.

Because it is impossible to expand export opportunities without restructuring the economy structurally

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