

Topical Issues Of Attracting Active Investment In Increasing The Competitiveness Of The National Economy

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Abstract

In The Context Of The Transition To A “Knowledge-Based Economy”, The Issue Of Increasing The Competitiveness Of The National Economy Is Becoming Increasingly Objective. In Today’s Conditions, It Is Important To Attract Active Investment To Increase The Competitiveness Of The National Economy. The Article Examines The Issues Of Increasing The Competitiveness Of The National Economy By Attracting Active Investment. The Scientific Literature On The Subject Was Analyzed And The Types And Characteristics Of Investments Were Studied. Proposals Have Also Been Made To Improve The Attraction Of Foreign Investment To Ensure Economic Growth In The Country.

Key Words: *Competitiveness, Investment, Foreign Investment, Innovative Economy, Digital Technology, Capital, Modernization, Diversification, Investment Policy, Favorable Investment Environment.*

The Global Financial And Economic Crisis In The World Community As A Result Of The Spread Of The Covid-19 Pandemic, Which Is Now A Global Phenomenon, Requires The Country’s National Economy To Become More Competitive. In This Case, The Use Of Innovations And Investments To Increase The Competitiveness Of The National Economy, Increase The Volume Of Investment In The National Economy Will Serve As A Program.

In Today’s Modern World, It Is Becoming Increasingly Important To Provide Production In The World Economy With New Equipment And Technologies, To Gain A Place And Position In The International Market, To Attract Investment In The National Economy To Produce Competitive And Quality Products.

According To The Scientific Literature In The Field, The Methods Of Assessing The Effectiveness Of Investments In The Context Of Volatility And Uncertainty Of International Markets Require Consideration Of Risk Factors, Regulation Of Investment And The Correct Distribution Between Regions And Economic Sectors.

Any Form Of Investment In The National Economy Will Develop A Competitive Environment, Accelerate The Production Of Competitive Products, As Well As Bring Modern Innovative, Advanced Equipment And Technologies, And Diversify The Economy. It Should Be Noted That Attracting Investment Will Accelerate The Production Of High Quality Products Or Help To Produce Products That Will Replace Existing Products. And Also, Another Positive Result Of Investment Policy Is To Increase The Level Of Development Of The Service Sector In The Country, To Provide The Population With New Modern And Quality Services, To Ensure Economic Growth And The Role Of The Service Sector In Solving The Problems Of The Population, The Work Being Done To Strengthen Of The Country [12].

In Recent Years, The Ongoing Socio-Economic Reforms In The Country Are Also Taking Comprehensive Measures To Increase The Volume Of Foreign Investment In The Country's Economy. In Particular, The Action Strategy For The Five Priority Areas Of Development Of The Republic Of Uzbekistan For 2017-2021 Identifies Priorities Such As Active Attraction Of Foreign Investment In The Sectors And Regions Of The Economy By Improving The Investment Climate, Effective Use Of Foreign Investments And Loans [1]. These Tasks Play An Important Role In Pursuing An Active Investment Policy Aimed At Modernization Of Production, Technical And Technological Renewal, Implementation Of Investment Projects For The Development Of Production And Social Infrastructure, As Well As The Creation Of A Favorable Investment Climate.

Theoretical Aspects Of Attracting Investments To The Economy And Their Effective Use Have Been Studied By A Number Of Scientists. In Particular, Foreign Scientists Jm Keynes, A. Marshall, P. Samuelson, V. M. Friedman, K. R. McConnell, A. I. Dedikov, G. Naydenov And Others Developed Theoretical Concepts About Investments And Their Efficiency. The Issues Of Attracting Investments To The Economy Of Uzbekistan Have Been Studied In The Scientific Works Of S.Gulomov, A.Vakhabov, D. Gazibekov, N. Khaydarov, Sh.Yuldashev And Others. These Works Mainly Focus On The Theoretical Aspects Of Strengthening The Attraction Of Foreign Investment, Financial And Tax Relations In This Process.

Gozibekov D.G. Described The Economic Nature Of Investment As A Financial Category, Stating "The Content Of Investment Is To Obtain Funds From Clear And Reliable Sources, To Mobilize Them Reasonably, To Maintain The Value Of Capital And To Achieve The Desired Effect, Taking Into Account The Level Of Rickshaws" [6]. Haydarov N.H. Describes Investments As Follows: "Investments Are Individuals And Legal Entities Operating On The Basis Of Entrepreneurship, Regardless Of The Form Of Ownership, Or The State Spends Its Wealth On Any Business Entity Within The Law In Order To Obtain Economic And Social Benefits" [7].

The Concept Of Investment Is A Much Broader Concept To Give A Unique And Complete Character. The Content Of Investment In Different Parts Of Economic Science And In Different Areas Of Practical Activity Has Its Own Characteristics. In Macroeconomics, Investment Is Part Of The Total Cost Of Production, Which Consists Of Investment In New Tools, Investment In Housing And The Growth Of Material Resources. Investment Is The Part Of Gdp That Is Not Consumed In The Current Period And Provides Capital Growth In The Economy.

Investment, Especially The Inflow Of Foreign Investment Into The Country's Economy And Thus The Development Of Sectors Of The Economy, Is Becoming One Of The Most Pressing Issues Today. It Is Noteworthy That The Direction In Which Investments Are Directed, Determines The Development Of The Country, As Well As The Timely Elimination Of A Number Of Obstacles To Its Development.

The Importance Of Foreign Investment In The Development Of The National Economy Is Explained By The Following:

First, It Introduces Modern Equipment And Technologies Into Production And Develops The Production Of Export-Oriented Products;

Secondly, The Introduction Of Import-Substituting Goods, Which Will Allow To Attract Foreign Investment To Priority Sectors Of The Economy And, Ultimately, To Ensure A Decent Standard Of Living;

Third, It Will Provide Jobs For The Growing Population Through The Development Of Small Business, Private Entrepreneurship And The Acceleration Of Agricultural Production;

Fourth, It Will Renew And Technically Re-Equip Outdated Production Facilities, Material And Technical Base Of Enterprises;

Fifth, It Will Help To Build Natural Resource Processing Enterprises And Increase Tax Revenues To The State Budget.

It Is Advisable To Classify Foreign Investments Into Private, Public, Foreign And Mixed Investments According To The Form Of Ownership. Depending On The Object Of Direction, Foreign Investment Can Be Divided Into Financial And Real Investments. In Developed Countries, The Main Place In The Structure Of Financial Investments Is Occupied By Private Property Owners.

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Instead, Government Investment Strategies Should Focus On School Efficiency Which Influences Student Achievement, Shaping Of Talents And Efforts Which Support Innovative Education System Inputs By Local And International School Staff [11].

The Role Of Foreign Investment In The Development Of The National Economy Is Significant, As Shown In Figure 1.

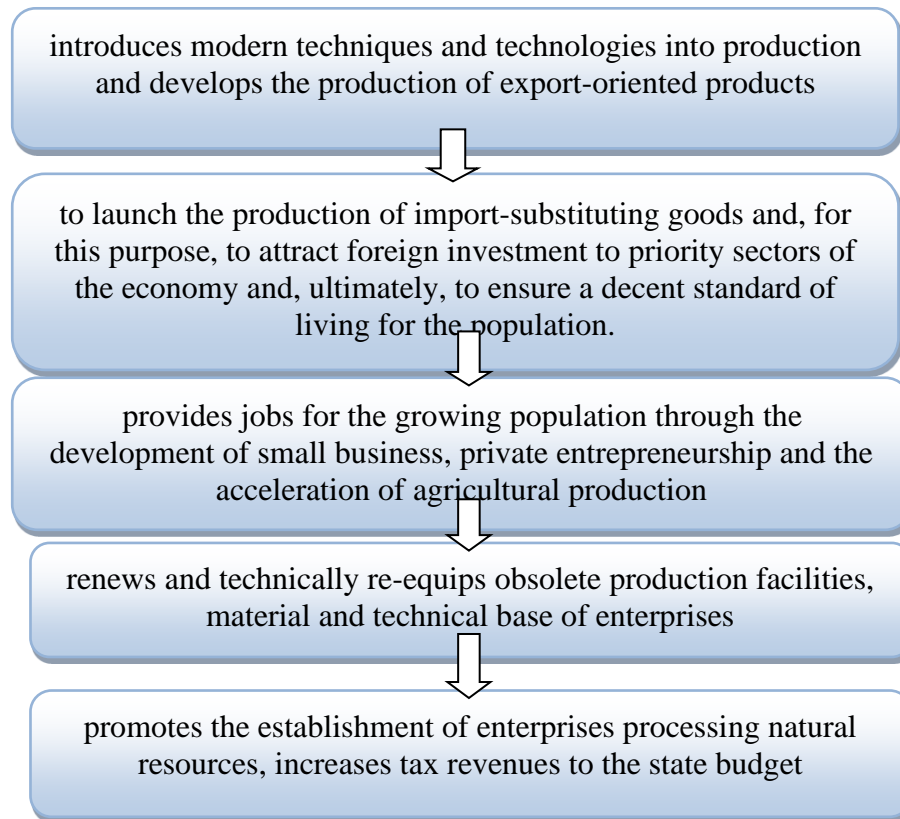


Figure 1. The Role Of Investment In The Development Of The National Economy ¹

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As We Attract Foreign Investment, It Will Be Difficult To Solve The Task Of Radically Changing The Structure Of The Economy Without Mobilizing Domestic Savings And Without Active Investment By The Enterprises Themselves. Investment Policy Should Focus On Encouraging Enterprises To Seek Funding For Production Expansion, Restructuring And Technical Re-Equipment.

Foreign Direct Investment In The Structure Of Foreign Investment Is Important For The Development Of Sectors Of The Economy, They Accumulate More Capital Than The Level Of Domestic Savings, Support The Balance Of Payments And Can Have A Positive Impact On Economic Development By Expanding Import Opportunities. Foreign Direct Investment Plays An Important Role In Improving The Operations, Production And Capital Efficiency Of Individual Enterprises, The Introduction Of New Technologies And The Improvement Of The Management System. These Processes Help To Develop The Internal Market, Increase The Skills And Practical Experience Of Workers By Indirectly Influencing Suppliers Of Goods And Services, Customers, Competitors. The Above Types Of Foreign Investment Have Their Own Characteristics.

¹ Prepared by author

Table 1

Characteristics Of Foreign Investment²

Characteristics	Foreign Direct Investment	Portfolio Investments
The Main Purpose Of Entry	Control Of A Foreign Firm	High Profitability
Ways To Reach The Goal	Organization And Conduct Of Production Abroad	Buying Foreign Securities
Methods To Achieve The Goal	– Full Ownership Of A Foreign Companyh; – Purchase Of A Controlling Stake (Recommended By The International Monetary Fund Should Not Be Less Than 25% Of The Company’s Share Capital);	Acquisition Of At Least 25% Of The Share Capital Of A Foreign Company (In Usa, Japan And Germany - 10%)
Forms Of Income	Entrepreneurial Profits, Dividends	Dividends, Percents

Particular Attention Is Paid To The Work On Attracting Investment For The Implementation Of Projects On Restructuring The Economy, Modernization Of Industries, Technical And Technological Renewal. Investment Opportunities And Real Volumes Are Closely Linked To The Situation In Domestic And Foreign Markets. Attracting Investment In The National Economy Is Directly Related To The Investment Policy Pursued In The Country.

In Addition, Existing Problems, Such As Low Efficiency In The Use Of Existing Capacities And Resources In Infrastructure, Insufficient Incentives For Effective Work And Poor Management Of Housing And Public Utilities Activities Require The Adoption Of Existing Measures. Otherwise, These Problems May Adversely Affect Economic Growth, Ensure The Welfare Of The Population, As Well As Improve The Business And Investment Climate And Achieve Macroeconomic Stability Of The Country [13].

Investment Policy Is A Set Of Targeted Measures Aimed At Revitalizing Investment Activities, Boosting The Economy, Increasing Production Efficiency And Creating Favorable Economic Conditions For Economic Entities In Order To Solve Social Problems. The State’s Foreign Investment Policy Is A System Of Measures To Regulate Foreign Investment Flows By The State. Investment Policy Is One Of The Most Important Permanent Means Of Goal-Oriented Activity Of The State In Terms Of Socio-Economic Development. Such A Policy Is The Core Of The Entire Political Sphere Of The State, Or In Other Words, It Is The Basis Of The Political Activity Of The Whole State. The Growth Of The Country’s Production Potential, Economic Growth, The Increase In The Volume And Quality Of Production Of Material And Spiritual Goods, The Development Of The Overall Infrastructure Will Largely Depend On Investment And Investment Policy.

Investment Policy Is The Function Of The State To Mobilize Investment Funds To Organize The Reproduction Of Material Goods In Society. From The Organizational And Legal Point Of View, This Area Of Public Policy Consists Of The Activities Of Its Relevant Bodies To Define The Goals And Objectives Of Such A Policy, To Seek Funding For Its Implementation. Developing Sound Investment Policies Is Key To Economic Growth. For The Effective Implementation Of Investment Policy, It Is Necessary To Establish A Number Of Institutions That Will Serve To Create A Favorable Investment Climate. The Most Effective Model In The World Economy Is Based On The Market System And Takes Full Advantage Of The National Economy. We Have Every Reason To Say That Uzbekistan Has Created A Unique Investment Climate, A System Of Privileges And Preferences For Investors.

The Economic Changes Taking Place In Uzbekistan In Recent Years Have Significantly Changed The Country’s Guidelines For Social Development. In Particular, In The Context Of Socio-Economic Reforms, The

². Table data Liventsev N.N. International capital movement: investment policy zarubejnix stran. Textbook for universities. - M.: “Economist”, 2004. - Str. 8-9. formed using the textbook.

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Importance Of Improving The Management System Of Any Social Sphere Is Growing. The Reforms Carried Out In The Field Of Housing And Communal Services And The Results Achieved, In Turn, Are One Of The Key Indicators That Allow Us To Assess The Improvement Of Living Standards Of The Population Of Our Country [14].

This Is Evidenced By The Fact That The Volume Of Foreign Investment In Our Economy Is Growing From Year To Year. The Role Of Foreign Investment, Especially Direct Investment, Is Invaluable In Deepening Structural Changes In The Economy, Accelerating The Investment Activity Of Enterprises, Modernization Of Production, Technical And Technological Re-Equipment. This Will Create Opportunities For The Introduction Of Advanced Technologies, The Creation Of New Jobs And, On This Basis, To Ensure The Sustainable And Balanced Development Of Our Economy. The Experience Of Developed Countries Shows That Attracting Foreign Investment Has Been One Of The Key Factors In The High Level Of Development Of These Countries. Further Deepening Of Structural Reforms In The Economy, Further Revitalization Of Investment Activities Of Enterprises, Wide Attraction And Effective Use Of Foreign Investment, Especially Foreign Direct Investment, Modernization Of Production, Technical And Technological In Order To Re-Equip, Create New Jobs And On This Basis To Ensure The Sustainable And Dynamic Development Of Our National Economy, A Large Amount Of Funds Is Allocated From The National Budget. At The Current Stage Of Modernization Of The Uzbek Economy Further Improvement Of Investment Activities Is Required.

The Formation Of A Market Economy In Uzbekistan Requires A Sharp Increase In A Number Of Macroeconomic Factors Of Economic Growth. The Processes Taking Place In This Area Are Explained By The Rapid Change Of Events. Production Investments Should Play A Key Role In Supporting And Accelerating The Country's Economic Growth Only On The Basis Of Investments It Is Possible To Increase The Competitiveness Of Products By Renewing Fixed Capital And On This Basis To Reduce Production Costs And Improve Quality.

Today, In The Ongoing Socio-Economic Reforms In Our Country, Special Attention Is Paid To Attracting Foreign Investment. Therefore, In Recent Years, The Volume Of Investments In The Country's Economy Has Been Growing (*Figure 2*).

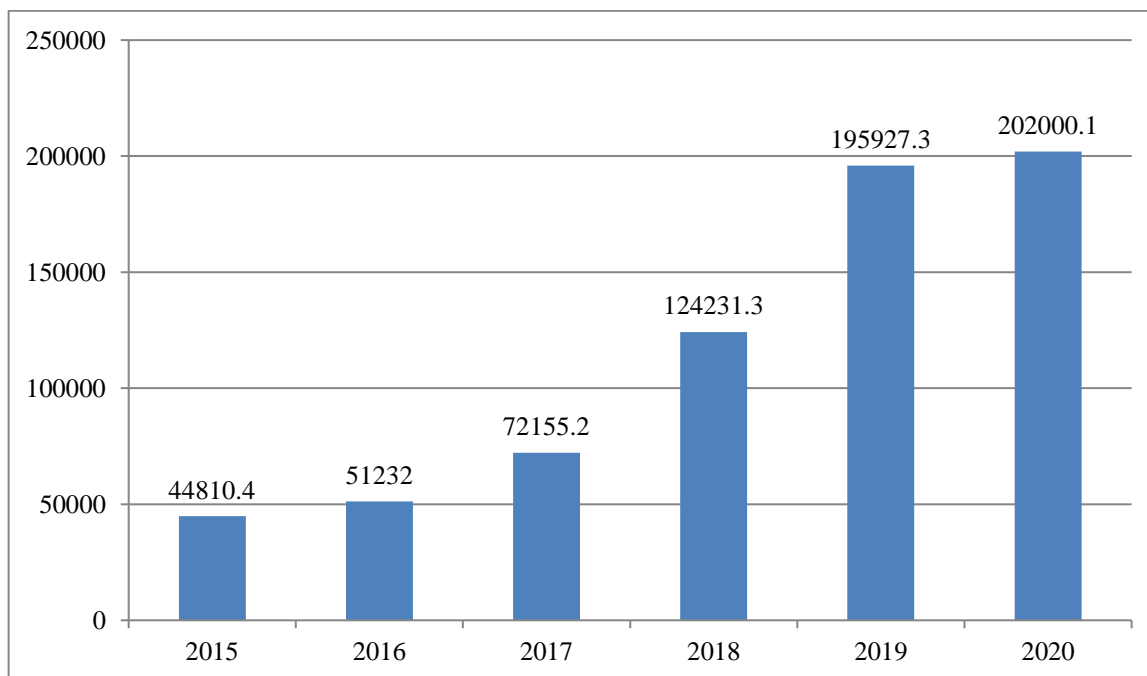


Figure 2. Investments In Fixed Assets In The Republic Of Uzbekistan In 2015-2020 (In Billions Of Soums)³

³ Information from www.stat.uz

Currently, The Rapid Growth Of Foreign Investment In The Uzbek Economy Is Determined By The Stability Of The Investment Climate In The Country, The Clear Direction Of Improving The Country's Tax Mechanism, The Emergence Of Favorable Prices For Exporters In World Markets And Other Factors.

In Short, Foreign Investment Is The Driving Force Behind Any Economy And Its Development. Therefore, It Is Time To Use All Opportunities To Increase Investment In The Country's Economy. It Is Advisable To Focus On Investment In Regions With Low Levels Of Development. Targeted Investment Policy Is A Key Factor In Ensuring Economic Stability In The Country.

- In Our Opinion, In Order To Accelerate The Attraction Of Foreign Investment In The National Economy In The Future, It Is Necessary To Take Measures In The Following Areas:
- Improving The Domestic Environment For Attracting Foreign Investment, Simplifying The Tax System, Simplifying The System Of Registration Of Foreign Investments;
- Identification Of Areas And Objects Of Interest To Foreign Investors, The Formation Of A Set Of Information About Them, The Development Of Business Plans And Projects For Their Economic Development And Increase The Efficiency Of Attracting Foreign Capital In Economically Viable Areas;
- In Order To Develop The Production Of Import-Substituting Products And Localization Of Production, It Is Necessary To Ensure Effective Communication With Large Manufacturers And Small Businesses And Private Enterprises, Ie To Be Suppliers Of Semi-Finished Products And Components To Large Enterprises. Required;
- Creating A Favorable Investment Climate For Foreign Investors And Improving The Legal Framework For Them;
- Increasing The Number Of Small And Medium-Sized Enterprises Specializing In The Production Of Export-Oriented Products And Creating Sufficient Conditions For Their Effective Operation, Increasing The Volume Of Concessional Credit Lines Provided By The State, Etc.

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