

## **Analysis of the Importance of Investment and Their Attraction in the Development of Territories**

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**Abstract:** This article deals with the budget system, extra-budgetary funds, the financial system, medium-term planning.

**Keywords:** finance, tax, medium-term restructuring, budget ;

See the consistent implementation of structural reforms in Uzbekistan pure inv e Stitt environment created a major factor k eis coming. The investment climate is a set of economic, political, regulatory, social and other conditions that affect the investment process in the country. The investment climate is determined primarily by the following economic factors: natural conditions, including mineral resources, labor skills and average wages, economic conditions, domestic market capacity and opportunities to sell goods in foreign markets, the state of the credit system, the level of taxation, the development of production and social infrastructure, the state policy towards foreign capital, the establishment of preferential terms for it, etc. Creating a favorable investment climate has been one of the priorities of the state's economic policy since independence.

The experience of developed countries confirms that active investment policy plays a central role in their economic growth. Therefore, the goals of socio-economic development of Uzbekistan require full reflection in its investment policy.

Since gaining independence, our country has been on a unique path of transition to a market economy, and investment policy is very important in this regard. Because investment in structural changes in the economy, technical and technological renewal, repair works Ama enterprises LGA based on a mlakat export import capacity allows. In this regard, Uzbekistan is pursuing its structural investment policy.

### **1.1 -table**

#### **Structural investment policy of the Republic of Uzbekistan**

Structural investment policy			
Territorial investment policy	Corporate investment policy	Sectoral investment policy	

Structural investment policy consists of regional, sectoral and enterprise investment policies, which are interrelated. Territorial investment policy is a set of measures taken in the region, which allows

you to effectively use the investment, taking into account the interests of the population, the region and the investor. Sectoral investment policy is the sectors that ensure the development of the country's economy, the export of industrial products, the development of import-substituting production, investment support for scientific and technological progress. The state has a number of important tasks in the structure of investment policy to create and develop new industries, to achieve a high level of demand for consumer goods and jobs in a short time.

Among the main directions of investment policy pursued in Uzbekistan are the following:

- striving to create a legal environment for attracting investment in accordance with international standards and conventions, recognized by investors in industrialized countries;
- Consistent implementation of an open door policy for investors, which will provide the country with world-class technology and help create a modern structure of the economy ;
- assistance in making production-related investments;
- support of the country's creditworthiness;
- Facilitate investment in solving social and environmental problems in some regions of the country.

The main tasks of public structural investment policy

1. Gradual elimination of obsolete productions;
2. Support for local producers:
3. Create solvent and demand-driven production structures;
4. Ensuring the highest possible use of production resources and scientific and technical potential, etc .;
5. Ensuring and strengthening the environmental and economic security of the country;
6. Coordinate the development of efficient, competitive industries, market infrastructure, services and intellectual activities;
7. Development of priority sectors of the economy and construction of new sectors;
8. Increasing employment and economic activity of the population;
9. Complete formation of social infrastructure of the regions.

The investment program of the Republic of Uzbekistan is a set of measures to be taken by the state to support foreign investment through the development of priority and priority areas of state incentives, as well as a favorable investment climate for foreign investors. is a perfect legal framework for creating and achieving high economic efficiency of the investments they make, a system of creating appropriate institutions.

The investment program of the Republic of Uzbekistan is a set of socio-economic and private economic decisions that take into account the general direction of domestic and foreign policy, the

direction and location of investments in the country and abroad in order to increase the economic efficiency of funds. defines The growth of production capacity, economic growth, the increase in the volume and quality of production of material and spiritual wealth, as well as the development of the entire infrastructure largely depend on investment and investment program. The investment program is aimed at mobilizing public investment funds to organize the production of material wealth in the country. From the organizational and legal point of view, this area of state policy is the activity in which the goals and objectives of this policy are implemented by its relevant agencies. There is also an external side of the investment program, which includes attracting foreign investment to the economy to solve the problem of rapid development of the economy on the basis of modern equipment, technology and organization of production. This task can be solved through the establishment of joint ventures, ie the use of foreign direct private investment. In this regard, the issues of legal regulation of foreign investment are relevant. An open and liberal investment program with clear, effective and vital laws is a powerful tool for attracting foreign investment. Developing such a policy should remain one of the main tasks of the republic.

Consistent implementation of the tasks set out in the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 <<https://lex.uz/docs/3107036>>, as well as improving the efficiency of raw material resources, In order to expand the production of high-tech competitive products, deepen the localization of production and on this basis to ensure the socio-economic development of the regions, developed by the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan in cooperation with interested ministries, departments and other organizations. The Investment Program of the Republic of Uzbekistan for 2020-2022 has been approved.

Aggregate forecast parameters for the development of capital investments in 2020-2022, which provides for the development of 850.5 trillion soums of investments, including foreign investments in the amount of 35.5 billion US dollars, as well as investments in 2020-2022 and The forecast parameters of loans are provided for development and attraction in accordance with the following table.

**Table 1.2**  
**Development of investments and loans in 2020-2022**  
**and forecast parameters of attraction**

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№ p/p	Sources of funding	2020 forecast	Including:				Forecast parameters	
			I quart er	II quart er	III quart er	IV quart er	2021 y. <u>*</u>	2022 y. <u>*</u>
	Total, capital investment	<b>233,186</b>	<b>38,79 2</b>	<b>65,98 6</b>	<b>65,48 6</b>	<b>62,922</b>	<b>284,418</b>	<b>332,89 3</b>
	Including:							

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<b>1.</b>	Centralized investments	<b>43,399</b>	<b>9,558</b>	<b>13,839</b>	<b>11,311</b>	<b>8,691</b>	<b>50,817</b>	<b>58,234</b>
1.1.	Budget funds	4,897	891	1,562	1,692	752	5,725	6,406
1.2.	Allocated funds:	9,080	1,380	3,476	3,180	1,044	10,614	11,878
	Including:							
1.2.1	To improve the melorative condition	216	84	63	44	25	253	283
1.2.2	To develop highways	1,515	134	579	598	204	1,771	1,981
1.2.3	To develop the material and technical base of educational and medical institutions	5,424	888	2,168	1,943	424	6,340	7,095
1.2.4	To improve drinking water supply	1,277	188	491	351	247	1,492	1,670
1.2.5	To improve the Aral Sea region	303	31	87	124	61	355	397
1.2.6	To build and reconstruct physical culture and sports facilities	345	54	88	120	83	403	452
1.3.	Funds of the Fund for Reconstruction and Development of the Republic of Uzbekistan (in soum equivalent)	2,065	644	494	482	446	1,867	2,079
1.4.	Foreign loans and investments under the state guarantee of the Republic of Uzbekistan (in soum equivalent)	27,357	6,643	8,307	5,957	6,450	32,610	37,871
<b>2.</b>	Decentralized investments	<b>189,787</b>	<b>29,235</b>	<b>52,147</b>	<b>54,174</b>	<b>54,231</b>	<b>233,601</b>	<b>274,659</b>
2.1.	Enterprise funds, including taxes that remain at the disposal of the enterprise	52,023	7,628	15,924	14,733	13,738	58,476	68,384
2.2.	Loans and other borrowings from commercial banks	49,288	7,882	13,686	14,037	13,683	61,610	73,932
2.3.	Foreign direct	71,385	9,548	16,93	20,67	24,225	94,490	111,45

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	investment and loans (in UZS equivalent)			5	7			2
	of them:							
	Foreign direct investment and loans	56,023	7,285	13,45 0	16,37 9	18,908	68,235	78,973
	Unsecured foreign loans	13,963	2,064	2,918	3,938	5,042	25,955	32,293
2.4.	Population funds	17,091	4,176	5,603	4,728	2,585	19,026	20,891

Source: Forecast indicators of the investment program for 2020-2022

As can be seen in Table 1.2, in 2020 the total investment is projected at 233.186 trillion soums. In 2021, it is planned to increase by almost 20% to 284.418 trillion soums, and in 2022 - by 70% from the forecast for 2020. In 2020, centralized investment will account for almost 19%. In 2021, this figure is expected to increase to 7.418 trillion soums. However, the total volume of investments fell by 17.8%, which is expected to increase the share of decentralized investments. In Table 1.3 below, we can see that the forecast is being implemented by the committees attached to the Cabinet of Ministers.

At the same time, the investment policy strategy of the Republic of Uzbekistan until 2025 has been developed. Currently, the world economy is experiencing a serious downturn. In this context, Uzbekistan is seeking deep structural reforms that will help it invest heavily in the national economy. The process of economic renewal and growth is determined by the volume and composition of investments, their quality and timing. The investment policy of the Republic of Uzbekistan until 2025 is aimed at strengthening investment activity and improving the environment. The Investment Strategy of the Republic of Uzbekistan until 2025 was prepared by the Ministry of Economy and Industry of the Republic of Uzbekistan on the basis of international experience, analysis of trends and problems in the development of investment processes in the economy, its sectors and regions.

The goal of investment policy until 2025 is to increase the competitiveness and balance of the economy, develop production and export potential, develop the regions and increase the welfare of the population.

The main objectives of the strategy are defined in three directions. It envisages improving the investment climate, activating domestic sources of investment and increasing the efficiency of the use of investment resources, taking effective operational measures and developing new approaches to attracting foreign investment. Improving the quality of products and ensuring their compliance with world standards is an important priority for the development of the industry. Improving the production infrastructure, the innovative potential of the industry, the radical improvement of the system of training, retraining and advanced training of personnel for the industry are also among the key tasks.

Information support of reforms, promotion of Uzbekistan's image in the international arena, increasing the level of transparency and creating a favorable environment for attracting investment in the country, strengthening the role of local authorities, protecting the rights of investors,

improving trade logistics and the development of production and sales relations between foreign investors and local companies.

The event focused on creating conditions for the successful implementation of the priorities of socio-economic development of the country, ensuring sustainable economic growth, increasing the competitiveness of the national economy, strengthening industrial capacity and identifying sources and mechanisms of financing for integrated regional development.

**By region, foreign investments and loans in fixed assets.**

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Regions	Years				
	2015	2016	2017	2018	2019
<b>Republic of Uzbekistan</b>	8309,5	10611,4	16308,9	31 350,00	86653,1
<b>Karakalpakstan</b>	2899,7	1683,4	268,6	1 512,10	3212,3
<b>Andijan region</b>	86,1	108	197,4	878,6	2881,4
<b>Bukhara region</b>	1463,2	3101,2	8256,9	4 190,10	5226,1
<b>Jizzakh region</b>	38	106,3	125,2	392,3	3716,3
<b>Kashkadarya region</b>	1037,7	2006,1	1950,9	8 339,20	16711,5
<b>Navoi region</b>	54,9	152,5	384,9	3 662,10	6902,3
<b>Namangan region</b>	488,8	639,1	1088,4	2 822,60	5313,6
<b>Samarkand region</b>	128,0	81,4	114,5	384,1	2799,8
<b>Surkhandarya region</b>	191,5	209,1	512,8	1 788,70	7557,6
<b>Syrdarya region</b>	116,7	102,3	76,1	261,1	2853
<b>Tashkent region</b>	677,6	580,3	781,8	1 760,00	5595,2
<b>Fergana region</b>	193,6	235,4	191,8	1 250,30	3538,2
<b>Khorezm region</b>	40,8	90,4	197,4	355,5	2350,1
<b>Tashkent city</b>	892,9	1515,9	2162,2	3 753,30	17995,7

**Source:** Data of the State Statistics Committee of the Republic of Uzbekistan

As can be seen from Table 3.1, in 2015, foreign investments and loans in fixed assets in the national currency equivalent in the country amounted to 8309.5 billion soums. was Rs. This figure will continue to grow until 2019, reaching 86653.1 billion. soums. In the policy of attracting foreign investment in 2019, Bukhara region (8256942.5 million soums), Tashkent (2162197.8 million soums), Kashkadarya (1950872.5), Namangan (1088389.5), Tashkent (781808) , 3 million soums).

Samarkand region has been less active in attracting foreign investment in this direction. In particular, in 2015, 128.0 bln. By 2018, this figure will reach 384.1 billion soums. soums. This figure will increase significantly in 2019 to 2799.8 billion. soums.

We can also see from the nominal content of foreign investment that not all regions are active in attracting foreign investment.

The lowest nominal level of foreign investment was in the Syrdarya region.

Uzbekistan has all the conditions and a number of advantages to join the group of countries that attract huge foreign investment to its territory. Because our country meets this requirement with its level of socio-economic development, geographical location on the world map, the composition and reserves of natural resources, the economic policy pursued by the government and others.

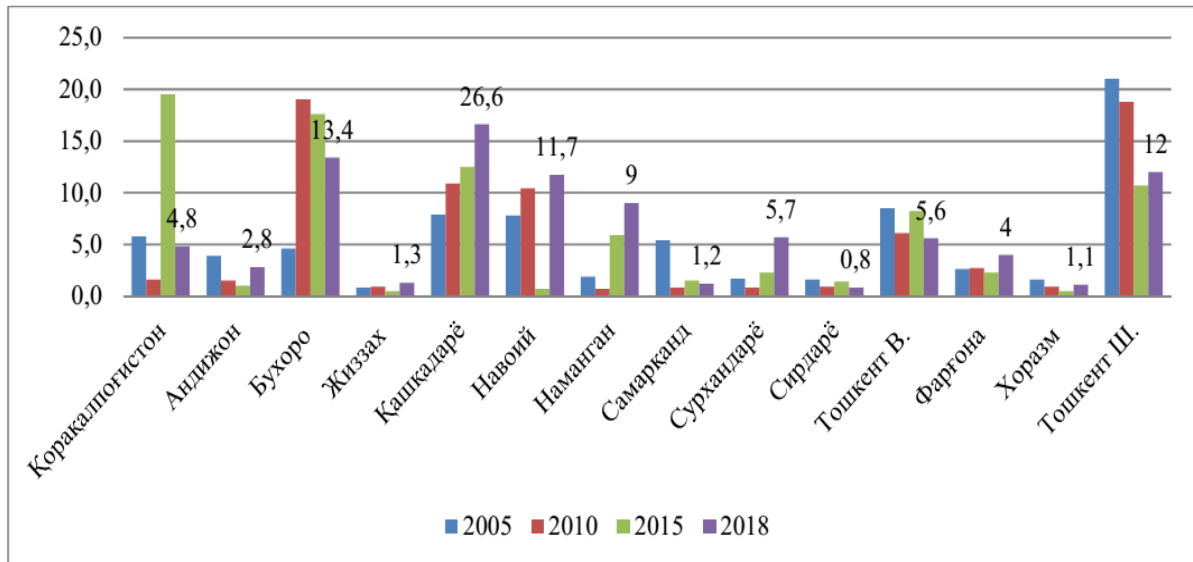


Figure 1.2. The structure of foreign investment in the regions (as a percentage of total)

Analyzing on the basis of the data in the table above, there are significant differences in the regional structure of foreign investment. In particular, 8.1% of foreign investments in 2005 were in Tashkent region, 45.6% in Tashkent city, 7.9% in Kashkadarya region and 7.9% in Navoi region. The share of Syrdarya region was 1.4%, the share of Jizzakh and Surkhandarya regions was 0.7 and 0.8%, respectively, and the difference between the regions in the volume of foreign investment attracted in the years of our analysis is due to the existing infrastructure and it is necessary to take measures to further improve the benefits in the legislation.

Now, if we look at the regions we are analyzing, as expected, the share of Tashkent is in the forefront, but the decline in the share of Tashkent in total foreign investment after 2005 shows that investors are more interested in other regions than the capital. This is important because it fully complies with the regional investment policy of our state. This is due to the growing share of Bukhara and Kashkadarya regions. In particular, the share of Bukhara region at the beginning of the analyzed years was 4.1%. By 2018, it was 13.4%. In Kashkadarya region, the share of foreign investment averages more than 10%. In 2005, the figure was 7.9%, and by 2018, the peak has risen to 26.6%. In Navoi and Tashkent regions, the decline is observed. In particular, in Navoi in 2005 and 2010 the share was 7.9 and 10.1%, respectively, after which it decreased to 0.7% in 2015 and 11.7% in 2018. formed. In Tashkent region, it was 8.1% and 8.2% in 2005 and 2015, respectively, and declined in 2018, accounting for 5.6% of total investments.

In 2019, about 30% of investments from all sources were foreign direct investment. Large investments have also been made in remote areas where industry is underdeveloped. A total of 145 networks and 167 regional projects worth \$ 5.4 billion have been launched. Foreign direct

investment amounted to \$ 4.2 billion, an increase of \$ 3.1 billion or 3.7 times compared to 2018 - I want to draw your attention to this figure. The share of investment in GDP reached 37%.



Figure 1.3. Foreign investments and loans included in fixed capital in 2019

In January-December 2019, a total of 12.1 billion. U.S. dollar. foreign investments and loans were disbursed, of which 81.0% or 9.8 bln. The U.S. dollar has been invested in fixed assets. 42.4% or \$ 5.1 billion of the total disbursed foreign investments and loans. USD of foreign direct investment, including 4.2 bln. The U.S. dollar has accounted for foreign direct investment in fixed assets.

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