



Foreign Experience And Ways To Use Investment Activity In Industrial Zones

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ABSTRACT

The article examines the processes associated with foreign experience and ways to increase investment activity in industrial zones. Conditions and opportunities to increase investment activity in industrial zones have been assessed. Scientific proposals and practical recommendations for the formation of areas of targeted use of foreign experience to increase investment activity in the industrial zones of Uzbekistan.

KEYWORDS

Investment activity, investment process, investment policy, investment project, special economic zone, exchange rate, foreign investment, information policy.

INTRODUCTION

Today, increasing investment activity is interpreted as the main mechanism influencing the process of state regulation of investment

processes. Investment activity serves to increase the dynamics of investment in fixed assets, to ensure an integrated link between

investment projects and economic growth factors. Sustainable economic growth will be ensured through the direct participation of the state in financing investment projects. Public investment policy is manifested at the macro, meso and micro levels, and the role of the state in the mechanism of regulation of investment activity is manifested through the use of a number of methods, such as tax, budget, customs.

The meso-level of public investment policy has a priority over the use of tariff and customs systems. In doing so, the state seeks to reduce the disparities between the rates of economic development of a particular region relative to other regions. The choice of the state as one of the tools of investment policy at the regional level is relevant at the current stage of economic development and requires the formation of investment models with a certain priority at the regional level. Each country pursues different concepts and theories of economic regulation at the regional level, and pursues an investment policy aimed at ensuring a comprehensive priority of economic development, taking into account the national mentality. At the same time, in a market economy, state intervention in investment processes is always limited, it is only necessary and recommended to reverse unfavorable trends, the unfavorable investment of some regions and some industries and the passivity of business entities. investment activity. The need to improve state regulation of processes has led to an increase in the interest of local researchers in substantiating its effective forms and methods of attracting foreign investment. In this regard, the President of the Republic of Uzbekistan Sh.M.Mirziyoev in his Address to the Oliy Majlis on December 29, 2020 spoke about the implementation of priorities facing the economy of Uzbekistan and their complex significance: need to increase. In the field of geology, this year 21 mines and promising areas were sold to investors through an open auction. In 2021,

another 50 mines and promising areas will be sold to local and foreign investors on the basis of open mechanisms. We must continue to work in other directions. In total, it is necessary to master investments worth \$ 23 billion next year. As a result, 226 large industrial and infrastructure facilities will be commissioned "[1].

A number of such priorities related to the implementation of investment policy in the economy of Uzbekistan make it necessary to study the foreign experience of investment policy implementation and its important features. the analysis of modern foreign experience may play a certain role. Its purpose is to identify the main approaches to the organization of state regulation of the process of attracting foreign investment.

ANALYSIS OF THE SUBJECT LITERATURE

Among the researches carried out within the conditions and opportunities to increase investment activity in industrial zones, S. Tarzi's scientific researches are of special importance. The study interprets the strengthening of regional competition for investment against the background of deteriorating macroeconomic situation as a factor in increasing the attractiveness of foreign investment in the regions [2]. In the research of Nguyen Tien Dzung, Nguyen Anh Tuan, Do Phu Tran Tinh, the role of industrial parks and economic zones in the process of international economic integration is interpreted as the main means of implementing the investment environment and investment relations [3]. H. Grubel's research recommends the use of the mechanism of influence of regional authorities in the effective implementation of investment activities in free economic zones, the effective functioning of the executive branch, the improvement of the investment climate [4]. In the research of LA Akhmedova, UB Bulatova it is recommended to introduce a rating system in improving the forms of effective

implementation of investment activities in industrial zones, the regional investment standard and the existing mechanism for increasing investment attractiveness. In this regard, in the formation of the rating system, it is recommended to form indicators related to the problems of improving the organizational mechanism for enterprises planning to conduct business in industrial zones [5]. In the research of ZO Magomedova, NK Adjieva, a special place is given to the problems of increasing the investment attractiveness of regions with innovative potential in the country. According to researchers, the availability of innovative potential sources in the regions is a key factor in increasing the investment potential of the regions [6]. The research of DY Khujamkulov focuses on the characteristics of the investment climate in free economic zones, the regulatory framework of the investment climate created to attract investment in free economic zones, the analysis of foreign experience in assessing the investment climate [7]. Based on the research of AV Vakhobov, Sh.Kh. Khajibakiev, NG Muminov, forms of investment attraction in free economic zones, institutional and legal framework for investment attraction, investment climate and its determining factors, the mechanism of regulating the movement of foreign investment and ways to activate the attraction of direct investment are of a systemic nature [8].

The above research examines the role of industrial zones in increasing investment activity in industrial zones, the possibility of ensuring investment activity through the impact of the process of modernization of industrial zones on the implementation of profound structural changes. In this regard, the processes related to the role of industrial zones in the distribution and redistribution of international capital have not been studied.

RESEARCH METHODOLOGY

In the research process, foreign experiences of increasing investment activity in industrial zones are based on the use of research methods such as scientific abstraction, induction and deduction, statistical and systematic analysis. Scientific proposals and practical recommendations for the formation of foreign experience and ways to increase investment activity on the basis of existing opportunities of industrial zones through the use of the method of scientific abstraction.

ANALYSIS AND RESULTS

In foreign experience of increasing investment activity in industrial zones, the Chinese economy plays a special role, which is especially important in the pace of economic development in China. As a result of the government's policy of encouraging foreign investment inflows over the past decade, China controls about 25 percent of total investment sent to developing countries.

In the late 1970s, the Chinese government decided to make the area of attracting foreign investment a priority of all state policies, based on which the country was the first to establish "special economic zones" in Guangdong and Fuyang provinces.

China's special economic zones are the testing base of economic reforms, formed on the basis of a harmonious combination of planned and market economies. For China, foreign capital plays an important role in the development of industrial zones, as the influence of foreign capital ensures the free movement of labor and capital flows in relation to this region. Companies bring new technologies into the country. Therefore, the large amount of foreign capital brought into the industrial zones is encouraged through the system of all measures supported by the state. The Chinese government is implementing economic reforms to attract foreign direct investment in

high-tech and capital-intensive projects in industrial zones.

The Chinese government will continue to attract special investment for export-oriented activities of industrial zones. It also provides subsidies for the development of priority sectors in the regions, modernization of enterprises and the purchase of raw materials. Based on targeted funding programs, China will continue to improve the quality and quantity of exported goods. In the industrial zones, foreign investors have been given special privileges for shares in enterprises controlled by more than 25 percent and access to loans by the Central Bank of China.

Special emphasis was placed on providing Chinese enterprises with access to high-tech industrial development zones (HIDZ) and liaising with potential business partners, with the first reforms in this regard beginning in 1988 with the establishment of the first HIDZ in Zhongguancun (Beijing). To date, there are 54 state-level HIDZs in China - 25 on the coast and 29 inland. Although they have played an important role in promoting China's high-tech industry, their performance differs from each other [9].

Table 1

China's state-level high-tech industrial development zones (HIDZ) [9]

Province	HIDZ (25)	Province	HIDZ (29)
Beijing	Zhongguancun	Anhui	Hefei
Fujian	Fuzhou Xiamen Torch	Chongqing	Chongqing
Guangdong	Foshan Guangzhou Huizhou Zhongkai Shenzhen Zhongshan Torch Zhuhai	Gansu	Lanzhou
Hainan	Hainan International (in Haikou)	Guangxi	Guilin Nanning
Hebei	Baoding Shijiazhuang	Guizhou	Guiyang
Jiangsu	Changzhou Nanning Wuxi Suzhou	Heilongjiang	Daqing Harbin
Shandong	Ji'nan Qingdao Weifang Weihai Zibo	Henan	Luoyang Zhengzhou
Shandong	Shanghai Zhangjiang	Hubei	Wuhan East Lake Xiangfan
Tianjin	Tianjin	Hunan	Changsha Zhuzhou

Zhejiang	Hangzhou Ningbo	Inner Mongolia	Baotou Rareearth
		Jiangxi	Nanchang
		Jilin	Changchun Jilin
		Liaoning	Anshan Dalian Shenyang
		Ningxia	-
		Qinghai	-
		Shaanxi	Baoji Xi'an Yangling Agriculture (in Xi'an)
		Shanxi	Taiyuan
		Sichuan	Chengdu Mianyang
		Tibet	-
		Xinjiang	Urumqi
		Yunnan	Kunming

Flexible policies on foreign capital will be pursued in the development zones of high-tech industries, and measures will be taken to actively use economic incentives and incentives aimed at influencing the regional and sectoral distribution of capital through incentives.

Of particular importance is the US experience in foreign investment and ways to increase investment activity in industrial zones. The increase in investment activity in industrial zones in the United States is marked by significant regional differences. The high level of competitiveness of the U.S. economy is ensured mainly by stimulating the flow of investment in scientific activities and the development of new technologies. At the same time, the state bears about half of the cost and funding of scientific research, more than half of all fundamental research. The remaining funds will be provided by private corporations, universities and foreign investors.

In the United States, government policies aimed at ensuring investment activity in industrial zones can be conditionally divided into three groups:

1) Direct financial incentives:

- Granting grants, grants, loans and credits by state governments;
- Financing of research and development projects;

2) Indirect financial incentives:

- Tax benefits;
- Tax benefits;
- Discounts;
- Investment tax benefits, etc. ;

3) Intangible incentives:

- Infrastructure development;
- Transparent information policy, etc.

The experience of conducting investment policy in the United States is based on the fact

that state support for American exporters is mainly informative: a number of government websites have been created that provide detailed information on opportunities for American company executives to export and sell goods abroad.

CONCLUSIONS AND RECOMMENDATIONS

The foreign experience of increasing investment activity in industrial zones and the experience of China and the United States in the ways of their use have a sharply different character. In particular, the process of sharp differentiation between the two countries is characterized by a significant liberalization of the financial system and limited resources to support the activities of direct industrial zones with financial resources.

In the Chinese public investment policy model, the process of increasing investment activity in industrial zones is based on a system of cooperation between the government and investors, financing private investment projects, actively encouraging and mobilizing investment resources by establishing control over the state banking system. uses a system of preferential lending to industrial corporations in return for the strict fulfillment of their obligations by corporations. Also, tax incentives can be applied to grants for research and development projects, which include cash, in case of failure of enterprises to fulfill certain obligations to exempt from rent for a certain period of time. The main tax benefits were granted to projects in the field of high technology, research and development, or enterprises located in foreign investment zones, which have the status of supporting the development of industry. These benefits include income tax holidays for 5 years from the date of receipt of benefits and subsequent reduction of this tax by 50% for a period of 2 years.

In our opinion, based on the above, in accordance with the results of the analysis of

foreign experience and ways to increase investment activity in industrial zones, in the process of increasing investment activity of industrial zones in the economy of Uzbekistan it is expedient to:

- Formation of the system of legislation and economic benefits in investment policy based on the depressive characteristics of regional industry, the features of multifunctional development of industrial zones;
- Development of investment standards of industrial zones (the document defines the requirements for public authorities to work with investors), roadmaps for improving the investment climate and a system of indicators summarizing the results;
- formation of a special Internet portal in industrial zones based on the system of information exchange on trade agreements and business opportunities with foreign investors on the initiative of the government;
- Consolidation of financial resources of public and private investors and their orientation to the development of the innovative component of the regions.
- Conditions, factors for easier access of industrial zones to foreign markets, production abroad, a wide choice of methods of entry: trade, private capital, assistance in the implementation of contractual agreements, etc.

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