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## The Role Of Investment Power In Providing A Favorable Investment Environment In The Regions

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### ABSTRACT

The article examines the processes related to the investment climate and the conditions for its improvement from a regional point of view, and the factors influencing it are studied on a systematic basis. In this regard, the processes related to the organizational and economic basis for overcoming the existing problems are studied. Scientific proposals and recommendations on overcoming these problematic processes and the formation of promising directions in this regard have been formed.

### KEYWORDS

Investment climate, investment activity, investment attractiveness, investment potential, digital economy, investment resource, investment activity.

### INTRODUCTION

The role of foreign investment in further deepening structural changes in the economy, accelerating the investment activities of enterprises, modernization of production, implementation of technical and technological

re-equipment programs, and ultimately economic growth is invaluable. The implementation of measures aimed at liberalizing the economy and strengthening the protection of property rights will have a

positive impact on improving the investment climate in the country and attracting growing foreign investment.

Based on the experience of developed countries, foreign investment plays an important role in ensuring the sustainable and efficient development of the country's economy. It is aimed at ensuring the rapid modernization and technical re-equipment of enterprises operating in the country, the creation of new and modern production facilities in the automotive and gas-chemical, electrical and textile, food and pharmaceutical, information and telecommunications networks and other areas. emphasis is placed on pursuing an active investment policy. Therefore, the issue of attracting foreign investment to the economy of our country should be considered as an important factor of economic growth. In his Address to the Oliy Majlis on December 29, 2020, President of the Republic of Uzbekistan Sh.M.Mirziyoev spoke about the existing opportunities and tasks in this regard: "Economic growth is achieved, first of all, through the creation of competitive industrial chains and increased investment in such projects. According to research from Harvard University, our country has all the opportunities and relative advantages in the production of more than 50 industrial products. In particular, the petrochemical, metallurgical, mechanical engineering, electrical, pharmaceutical, construction materials, textile, leather and footwear, food and "green economy" industries have all the necessary conditions to become "drivers" of our economy." [1].

The level of modern economic development in the regions of the country, the growth rate of investment activity will depend on the investment climate. It is necessary to create the existing conditions for attracting foreign investment to the economy of the republic, foreign investment can be made in the economy of any country only if there are economic, political, social and legal conditions.

The attractiveness of the investment climate is an important factor in increasing the inflow of foreign investment. What is the investment climate? What does its attractiveness depend on? How to describe the investment climate? In addition, what factors affect the investment climate? There is a need to conduct research aimed at answering such questions on a scientific basis.

### ANALYSIS OF THE LITERATURE ON THE SUBJECT

Research processes that determine the specificity of the investment climate in the regions, the expediency and attractiveness of investment activities have a special place in the research of H.Wang, P.Liang, H.Li, R.Yang. The study concludes that the specificity of the investment climate in the regions is determined by the generalizing features of economic, social, organizational, legal, political and other conditions [4]. In the research of Yu.V. Goodel, investment attractiveness in the regions is assessed in terms of return on investment, development prospects and level of investment risk of the country, industry or individual enterprise [5]. Economists A.Vakhabov, Sh.Khajibakiev, N.Muminov investment climate "The investment climate is a set of economic, political, legal and social factors that predetermine the level of risk of foreign capital investment and the possibility of their effective use in the country" [6].

D.Gozibekov and T.Koraliev expressed the following views: "The concept of investment climate is not new in the economy, but has not been developed in relation to the conditions of independent Uzbekistan. An investment climate is a concept used in a very broad sense that encompasses all the problems and issues that an investor takes into account. The investor identifies the advantages and disadvantages of investing in a particular country, as well as the ideology, policy, economy and culture of the country in which he intends to invest his capital" [7].

In our opinion, these definitions of the investment climate are inappropriate. At the same time, it is expedient to take into account the simultaneous influence of the two groups of factors that shape the level of investment attractiveness, investment potential and investment risk. By assessing such indicators, it is possible to determine the feasibility and attractiveness of investments, the level of investment risk. The level of investment risk is directly related to the investment environment. The investment climate also includes natural conditions, mineral resources, labor skills and average wages, economic conditions, domestic market capacity, opportunities to sell goods in foreign markets, the state of the credit system, the level of taxation, the development of production and social infrastructure. , public policy towards foreign capital is determined by factors such as the creation of preferential conditions for it.

## ANALYSIS AND RESULTS

Although the investment climate in Uzbekistan has been stabilizing year by year, large-scale investments are gradually entering the economy. These include: Uzbekistan's lack of direct access to sea trade routes; underdeveloped telecommunications; low national currency in the economy relative to the freely convertible exchange rate; shortcomings in some laws and regulations and, in particular, the lack of special laws on minerals; existing shortcomings in the credit system, currency conversion and the emerging securities market; we believe that the benefits provided by the government are only due to the national order of entrepreneurship, which is not fully coordinated with world practice. So, today it is necessary to bring the economy of the republic closer to the world economy.

**Table 1**

**The investment climate of the country and its quotes emitting factors**

Factors	Contents
Economic situation	The state of the country's balance of payments, the stability of the monetary system, the development of foreign economic relations, the size of the domestic market, inflation, GDP, industrial and agricultural production growth rates.
Legal framework	Existence of decrees, decisions, regulations, guidelines that meet the new conditions and guide the socio-economic development of the country and its individual sectors
Natural raw material resources	Reserves of mineral, raw materials, fuel and energy and water resources, production volumes of agricultural raw materials.
Labor resources and employment	Number of economically active population, share of employed population, unemployment rate, income level of employees, qualification level of staff.
Technical base of production	Fixed assets, the level of utilization of production capacity, the composition of the useful life of equipment, the degree of depreciation of fixed assets.

Scientific and technical potential	Investments in economic development, including foreign investment. Level of investment risks. Technical equipment of production, the use of scientific and technical achievements and the state of development of the ITTKI industry, the production of large and high-tech types of products with scientific capacity.
Financial and credit system	Tax and credit policy, the level of profitability and profitability of enterprises in the real sector of the economy. Price policy and price formation policy.
Infrastructure	The state of development of the banking system, the reliability of the transport, communications services and hotel industry, commodity and stock exchanges, marketing, consulting, auditing services, insurance industry.
Ecological situation	Level of environmental pollution, radiation background, harmful emissions.

In order to further improve the investment climate in the Republic of Uzbekistan, the portal for potential investors is available in eight languages, where investors can learn about the investment potential of the country and its regions, raw materials, export and import security, infrastructure, raw material prices, utilities, demographics and investment decisions. can get the additional information you need to receive.

In order to increase investor confidence and improve the investment climate, a questionnaire was posted to send online notifications on existing problems in enterprises with foreign investment. Separate departments have been opened for the heads of enterprises of the republic who want to establish cooperation with foreign investors. According to the Decree of the President of the Republic of Uzbekistan dated January 28, 2019 No PF-5643 "On measures to improve the management system in the field of investment and foreign trade" on the basis of the Ministry of Foreign Trade and the State Committee for Investment established "Ministry of Investment and Foreign Trade" [1].

The annual report of the World Bank and the International Finance Corporation "Doing Business" has developed a roadmap to increase the rating of Uzbekistan, which includes measures to increase it to 66th place in 2020, 33rd place in 2021 and 20th place in 2022 [2]. At the same time, the Resolution of the President of the Republic of Uzbekistan dated February 25, 2019 No PP-4210 "On measures to improve the position of the Republic of Uzbekistan in international rankings and indices" to form a holistic and independent system of evaluation of reforms in the country. The Ministry of Innovative Development of the Republic of Uzbekistan and the Ministry of Justice of the Republic of Uzbekistan have introduced a national system for monitoring and evaluation of the position of the Republic of Uzbekistan in international rankings.

The President proposed to introduce a new control system to ensure the timely disbursement of investments. According to him, in 2019, all projects with foreign direct investment will be divided into four lists and will be monitored separately and consistently. According to experts, the adoption of these

regulations has significantly improved the economic and legal environment for investment activities in the country, which has had a positive impact on the investment climate in the country and the inflow of foreign investment into the national economy.

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### CONCLUSIONS AND RECOMMENDATIONS

In short, the investment climate in any country is primarily about its political stability. The same factor allows foreign investors to invest resources in another country on the basis of long-term contracts. Such an environment allows for the implementation of long-term investment plans. The main feature of the investment climate in Uzbekistan is that it is the most stable country in Central Asia and has a high investment potential.

The following are proposed and recommended as priorities for improving the instruments for the formation of the investment and business environment in Uzbekistan, the widespread attraction of foreign direct investment:

- Coordination in the formation of the digital economy by limiting the distribution of investment resources and encouraging investment in the development of economic priorities, increasing the role of

the state in strengthening the guarantees of inviolability of private property;

- Increasing the responsibility of local governments for decisions taken by local authorities, while improving the regulatory framework for attracting investment in the regions and their development, tax incentives, the provision of broad incentives to increase the share of tax revenues in the region;
- Formation of a favorable investment climate in attracting foreign direct investment by enterprises with foreign investment by providing additional benefits and preferences when investing in free economic zones, priority sectors and territories;
- Harmonization of national investment legislation with international and regional standards, addressing issues related to the creation of organizational and legal framework for attracting investment in the digital economy, in turn, the unification of legislation on investment and investment activities;
- It is necessary to create an effective mechanism for financing promising scientific developments for testing, implementation and industrial development. In this regard, it is expedient to adopt the law "On scientific and innovative activities." It is necessary to develop effective mechanisms for attracting foreign investment in digital information and communication technologies through the introduction of various financial support systems for high-capacity industries, innovative enterprises.

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