



Micro and Macroeconomic Significance of Investment Activity in the Development of the Country's Economy

¹Nozimov Eldor Anvarovich

²Temirov Yusufbek Mansurjon ugli

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¹ Teacher of the Samarkand Institute of
Economics and Service, Faculty of
Banking and Financial Services,
Department of "Investments and
Innovations"

² Student of MK_321 group, Faculty of
Bank-Financial Services, Samarkand
Institute of Economics and Service

ABSTRACT: Investments, including foreign ones, play an important role in the rapid development and introduction of innovations in the production of the national economy and ensuring macroeconomic stability and high rates of economic growth in the economy of our country. Increased attention to investment has led to the development of investment activity in our country.

KEYWORDS: Government program, foreign investment, national economy, innovation, efficiency, budget, finance.

The role and importance of foreign investments in the national economy. Currently, there are several sources of funding for investment activities in our Republic:

- Funds of enterprises and individuals.
- Financing from bank loans.
- Financing from the state budget and extrabudgetary funds.
- Foreign investments. It is known from the experience of developed countries that attracting foreign capital, especially foreign direct investment, is the most effective investment tool. It is foreign investments that serve as a driving factor of economic and technological processes in the country.
- To increase the effectiveness of the activity of attracting direct foreign investments to the economy of the republic, to inform foreign investors about the opportunities and potential of our country, and state and economic management in the field of attracting and developing foreign investments. bodies, in order to improve the coordination of activities of local executive authorities

- The decision of the President of the Republic of Uzbekistan dated April 29, 2019 No. PQ-4300 "On measures to further improve the mechanisms of attracting foreign direct investments to the economy of the Republic" was adopted. Based on this decision, the State program was determined in the following areas:
- sale of packages of state shares (shares) in the authorized capital of chemical and oil and gas industry, economic entities in the field of machine building, banking and insurance organizations;
- development of ready-made investment proposals to attract foreign direct investments;
- extensive use of investment and business forums, presentations ("Road Show") and marketing campaigns;
- organization of priorities for the implementation of public-private partnership projects.

In order to increase investment attractiveness, foreign investors were offered promising investment projects within the framework of this decision:

- Investment proposals in the fuel and energy and petrochemical industries (number of proposals — 20, value of proposals — 4,447.6 million US dollars)
- Investment proposals in the fields of metallurgy, mechanical engineering, electrical engineering and light industry (number of proposals - 13, value of proposals - 537.3 million US dollars)
- Prospective proposals in the field of agriculture and processing of agricultural products (number of proposals - 26, value of proposals - 551.2 million USD)
- Prospective proposals in the field of road transport infrastructure, construction of communal households and production of construction materials (number of proposals - 5, value of proposals - 534.3 million US dollars)
- Promising offers in the social, touristic and pharmaceutical fields (the number of offers — 22, the value of offers - 160.6 mln. USD.)
- According to the report, in 2020, unsecured foreign loans increased by more than 1.6 times (from \$2.4 billion to \$3.5 billion) compared to the same period last year due to the implementation of investment projects in the following sectors, including:
- NKMK — 636.5 million dollars;
- "Uzbekneftgaz" JSC — \$154.8 million ("Shortan GKM" LLC — production capacity increase — \$122.7 million);
- "Uzeltexanoat" JSC - \$101.8 million (production of household refrigerators - \$48 million);
- Ministry of National Development and Reform of Ukraine - 89.4 million dollars (development of broadband telecommunications network - 35.5 million dollars);

"Ozkurlishmaterialari" JSC - \$91 million. The investment activity of the state arises in the process of performing the functions of the state, that is, economic, defense, protection of rights, reformation, environmental, social and others. Through investment activities, the state has a real impact on the structural reconstruction of the economy, ensures the growth of the efficiency of the national economy, the elimination of obstacles to the development of individual sectors and regions, and the preservation of the single economic region.

Centralized capital flows of the state, financed from the state budget, are allocated only to the following;

- implementation of investment projects, state target programs and interstate agreements in the priority areas of development of the economy of the republic;
- for housing construction based on housing bonds with the owner's name indicated;

- to develop the engineering infrastructure of populated areas, first of all, individually built residential areas;
- development of new lands and restoration of irrigated lands, construction of water management and development of small hydropower;
- construction of educational, healthcare, cultural and other social infrastructure facilities;
- to develop and strengthen the material and technical base of state administration bodies, law enforcement bodies, state scientific institutions;
- implementation of national nature protection measures and construction of natural disaster protection facilities.

Foreign experience Foreign experience of investment attraction and management and its implementation in our country. After gaining independence, our country has accumulated experience in investment activities for many years. He led an active policy of attracting investments to our economy. He tried to change the tactics and strategies of their management. In this article, we will consider the foreign experience of investment attraction and management.

That is, according to him, we will dwell on the investment policy of the USA, one of the leading countries of the world, the ways of attracting investments and establishing their management, regulation and control.

The USA is a country with a very developed economy and a strong legal system. The US investment climate is bright and attractive enough. Currently, this country occupies one of the leading places in the world in terms of attracting foreign investments. That is, it is about 20% worldwide. In order to achieve such excellent results, the US government allocated the necessary powers to the individual states of the country for foreign investment as an important factor in the development of the economy. That is, according to it, the regional management bodies in the country are given powers no less than the management body of the country in order to encourage the increase in the flow of investments.

The American government is well aware that the introduction of foreign capital into the US economy has a significant impact not only on industry, trade and inflation, but also on the national security of the entire country. As a result:

- states and local government bodies are given independence for the economic development of their territory, private business and export of services and goods should be supported;
- attract foreign business capital and control the foreign investor accordingly;
- stimulating the growth of private economy;
- should conduct motivational actions in fiscal policy.

The last result shows that these factors have created a mutual competition between the states of the country and acted as a special impetus for the development of the law on investments in the country. In this regard, we can distinguish the following important features of attracting and managing investments in the US economy:

- as a result of the regional and national policy, a high flow of investments into the economy is ensured;
- the equal level of stimulation of capital export and import, as a result of which the country has the status of a net importer;
- abuse of high level control of foreign investments (corruption, violations of legal norms and financial-credit agreements) should not be allowed;
- openness of the market for other participants;

- development of investment legislation and tax system;
- existence of a two-level system of investment activity regulation.

It should be noted that investment management in the US is based on the principles of economic freedom and does not seriously interfere with the economic process, because this way creates an insurmountable limit. Such a goal is the main work of foreign economic activity institutes in the USA, and the government is working to expand the maximum export potential of the country and its regions, to attract as many participants as possible in international economic activity.

The US economy will remain the largest in 2030, but its share of global GDP will fall from 23% in 2021 to 20%.

This macroeconomic data was compiled by the US Department of Agriculture, which includes the 20 largest economies in the world by GDP by 2030.

According to the forecasts, the US will retain its leadership and the country's gross domestic product will reach 24.8 trillion by 2030. is a dollar. The second place is occupied by China, whose gross domestic product is 22.2 trillion. consists of dollars. India is the top three with 6.6 trillion. dollar enters with the gross domestic product. The International Monetary Fund notes that in the last 10 years, India will become the strongest country in the world in terms of production power.

For the first time in history, the flow of investments was greater in developing countries than in developed countries. 700 billion. dollar, or the increase compared to 2020 was 4%, and by the end of 2021, 56% of the world's investments were directed to countries in this group. In order to achieve these indicators, attracting foreign investments and forming effective activities in their management and improving the country's investment climate are the main factors.

Investors are strictly prohibited from investing in projects related to national security, harming the social and economic development of the country and the interests of society, and polluting the environment. For most investors, the Chinese market is large enough, and there are many opportunities for growth. Therefore, many people are investing in this market and trying to take their place in this market and earn income. According to the results of research conducted by the US-China trade commission, 88% of foreign investors and organizations that have invested in China are working profitably. 81% of them are higher than the coefficient of earning in this direction in the whole world, and 85% of the pollsters put China in the first place for the development of private business abroad.

For the first time, China's economy recorded a higher result in terms of investments compared to the USA. In the last 30 years, the USA has been occupying a leading position. By the end of 2020, the volume of investments in developed countries decreased by 14%. According to the UN, in 2020, China became the main figure, for the first time since 2015, it displaced the USA from the first place in attracting investment. China accounts for 10% of the world's investments, amounting to 128 billion. organized doll. 111 billion to Hong Kong. dollars, and the USA 86 billion. dollar took only 3rd place with Organizations with foreign investments are increasing in China. By the end of 2021, compared to last year, the share of investment in China increased by 4.4% and amounted to 23.8 billion dollars. We can show that China gives foreign investors the right to privatize state-owned enterprises as the main incentive factor in attracting and managing investments.

By the end of 2021, China's gross domestic product has slowed down by 6.9%, which is the worst indicator for the last 25 years. In 2016, the Chinese government set the growth rate to be in the range of 6.5% to 7%. In absolute terms, it was 67.67 trillion yuan or 10.3 trillion dollars in 2015. Currently, 60 types of this raw material are used in the economy. The creation and development of free economic zones in our country is a new stage of Uzbekistan-China relations.

It is known that China has great experience in this regard. After all, special economic zones are mainly used to attract investments to the Chinese economy. On the eve of celebrating the 20th anniversary of

Uzbekistan's independence, five new enterprises with a total value of 14 million US dollars were opened and put into operation in the Navoiy free industrial-economic zone.

All of them are armed with modern, high-tech equipment, and the production of products that are popular in the domestic market and can easily compete in the world market has been launched. Among the foreign investors, companies from countries such as South Korea, Singapore, together with the People's Republic of China expressed their interest. They are trying to further expand cooperation with Uzbekistan.

The government of Uzbekistan planned to establish the third free industrial zone in Jizzakh region in cooperation with China, and it was successfully put into practice. The government of Uzbekistan's decision and adoption of laws on the results of socio-economic development of the republic in 2020 and the most important priorities of the economic program for 2021-2022 are considered as the main factor of attracting foreign investors to the country. In the document signed by the head of our state, interested ministries and agencies, as well as several regional governments, in the first quarter of 2022, on the completion of the agreement on the founding documents strengthening mutual cooperation with the competent authorities of the People's Republic of China instructions are given. The special zone was established in order to rationally use and effectively manage the resource base of the Jizzakh region and its bordering regions.

By the end of 2021, the USA has retained the first place among the countries of the world in terms of investment attractiveness. China took the second place. It should be noted that, according to the table, the investment attractiveness of the Canadian economy has increased significantly in recent years. In 2021, compared to 2019 and 2020, Great Britain ranks 4th. The inclusion of Sweden, which was not among the top 25 countries before, was a surprise.

Not only did they enter this rating, but they are on the sixteenth place. In the ranking, Brazil partially lost its positions and fell from the third place to the fifth place. The inclusion of Italy, Belgium and Denmark in this rating indicates that significant reforms are being carried out in the economy of the countries of the world. By the end of 2021, the trust index of foreign direct investors of the last three years was developed on the Internet.

To attract foreign investments and increase the investment attractiveness of Uzbekistan. Over the past few years, Uzbekistan has undergone rapid economic transformation and is increasingly seen in the international community as a symbol of openness, renewal and determination to overcome various barriers to business and investment.

For the effective implementation of the Law of the Republic of Uzbekistan "On Investments and Investment Activities", 4 of the cooperation of state authorities, consisting of deputy heads of the Ministry of Investments and Foreign Trade, governorates, diplomatic missions abroad and commercial banks with investors A step-by-step mechanism has been successfully established, which allows for quick response to all investors' requests and proper monitoring of the effectiveness of the measures provided for by the law.

In this context, it is important to emphasize the role of the Council of Foreign Investors under the President of the Republic of Uzbekistan, which was established with the support of the European Bank for Reconstruction and Development and provides direct communication with investors operating in the Republic.

The development of the International Arbitration Institute is also actively supported. In turn, this ensures the rule of law, which is an important and systemic component of the country's investment environment, and the proper fulfillment of obligations to state and local investors. At the same time, the world practice and experience show that it is no longer possible to solve the problems that hinder the investment and

innovation activities of business by simple means, i.e. by giving incentives or publishing new declarative norms. Liberalization of business activities is required to activate private investments.

Summary. It is necessary to work diligently to identify and overcome obstacles that prevent the development of certain sectors, constant dialogue with business. In this regard, active work is being carried out in the following directions.

First of all, in order to maintain high and stable rates of economic growth, it is necessary to create a stable and competitive model of the country's economy, in which most of the assets of the banking system are in the hands of private investors.

Secondly, in order to increase investment attractiveness and ensure the rapid growth of infrastructure investments, which are one of the main factors of sustainable economic growth, investment activities are being actively promoted through the development of public-private partnerships and project financing tools.

Thirdly, relations between investors and the state are being optimized in order to completely eliminate bureaucratic obstacles and restrictions in the implementation of investment projects through digitization and remote provision of public services. In order to ensure maximum transparency and prevent corruption, the quality of organization of work with appeals and requests of foreign investors is improving.

Fourth, there is a reduction in transaction costs that lead to the flow of labor and capital from the legitimate sectors of the economy to the underground economy.

Fifth, an investment policy strategy focused on the most promising sectors of Uzbekistan, which can become a point of technological progress and create a basis for the development of the country's production capacity in the next 20-30 years, is being developed. Given that the investment environment affects all spheres of activity in the country, the scope of reforms covered economic, institutional, education, health, agriculture, water supply, energy, transport and other areas.

Also, great attention is paid to practical support of entrepreneurs and investment project initiators. The most striking example in this direction is the activity of the Government Commission on export and investment development issues created in 2020, whose tasks include close cooperation with entrepreneurs and exporters, analysis of problems related to restrictions caused by the pandemic, also includes the development and implementation of quick and effective solutions based on an individual approach to solving the problems of each business entity.

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