



## **THE IMPORTANCE OF FOREIGN INVESTMENTS IN THE DEVELOPMENT OF THE COUNTRY'S ECONOMY**

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<b>Received:</b> 8 <sup>th</sup> October 2022 <b>Accepted:</b> 10 <sup>th</sup> November 2022 <b>Published:</b> 20 <sup>th</sup> December 2022	In this article, it is studied that the rational regulation of foreign economic relations is an important component of state administration in the economic development of our country, and one of its main branches is the attraction of foreign investments to the republic. Investments, including foreign investments, play an important role in the rapid development of the economy and the introduction of innovations in production, as well as in ensuring investment stability and high rates of economic growth in the economy of our country. Increasing attention to investments has led to the development of investment activities in our country.

**Keywords:** Foreign investments, national economy, innovations, direct investments, efficiency, budget, finance, investors.

### **INTRODUCTION**

121.8 trillion in our country in 2022. 56.8% or 69.1 trillion uzs of fixed capital investments were absorbed. 43.2% or 52.7 trillion uzs were financed from the funds raised, from the own funds of enterprises, organizations and residents. Uzs was financed.

A broad and detailed analysis of specific achievements and successes achieved in investment activities, important practical conclusions based on this basis, among the most urgent issues that we should pay attention to in the future, in determining the priority directions of our country's development and development programs, of course, the main focus is on foreign investments it should be noted that it is directed.

By increasing investment attractiveness, the following can be achieved:

- the entry of national and foreign investment into the economy will be activated, as a result of its proper use, modern and resource-saving technology will be brought to the real sector, the existing ones will be modernized, and relatively low-cost goods will be produced for export and the national market;

- provides jobs to the growing population by developing small business and private entrepreneurship, developing production in sectors such as agriculture, industry and service, using national and foreign investment;

- it will be possible to form new business entities in the country and thereby improve the competitive environment in the domestic market, provide the population with quality and cheap products.

The Law of the Republic of Uzbekistan "On Investments and Investment Activities" states that "investments are tangible and intangible assets that are invested by the investor in the social sphere, entrepreneurship, scientific and other types of activities based on risks and the rights, including rights to intellectual property objects, as well as reinvestment.

The development of international trade between countries, the expansion and improvement of production integration is the reason for further liberalization of foreign economic activity.

### **RESULTS AND DISCUSSION**

In 2022, a total of 3903.8 billion in Namangan region. Uzs of foreign investment and loans were absorbed into the fixed capital.

Also, as part of foreign investments and loans absorbed into the total fixed capital, foreign direct investments amount to 655.7 billion. foreign loans under the guarantee of the Republic of Uzbekistan amounted to 364.8 billion uzs 2883.3 billion uzs and other foreign investments and loans. amounted to uzs.

In 2022, a total of 71968.8 billion in the Republic of Uzbekistan. Uzs of foreign investment and loans were absorbed into the fixed capital.

Also, as part of foreign investments and loans absorbed into the total fixed capital, foreign direct investments amount to 23,674.9 billion. foreign loans under the guarantee of the Republic of Uzbekistan amounted to 8319.4 billion uzs. 39,974.5 billion uzs and other foreign investments and loans. amounted to uzs.



It should also be noted that in the Investment program for 2021-2023, expansion of the Republic's raw material base and deepening of its processing, increase of production volume of competitive finished products with high added value, direct investment in economic sectors to attract foreign direct investments and high technologies, to ensure the socio-economic efficiency of investment projects, to create high-income jobs on this basis, and to bring out measures to be taken in order to accelerate the socio-economic development of the regions raised Including: the cumulative forecast parameters of capital investments in 2021-2023, which envisage the absorption of centralized and decentralized investments in the amount of 928.3 trillion uzs, foreign investments in the amount of 37.5 billion US dollars;

The targeted program for the launch of large production facilities and capacities in 2021, which provides for the creation of 226 new production facilities

and more than 34 thousand jobs, has been approved. In the Investment program for 2020-2022: the total amount of capital investments in 2020-2022, which provides for the absorption of 850.5 trillion uzs of investments, including foreign investments in the amount of 35.5 billion US dollars forecast parameters, as well as forecast parameters of investment and loan absorption and attraction in 2020-2022;

The targeted program for the launch of large production facilities and capacities in 2020, which provides for the creation of 206 new production facilities and more than 31 thousand jobs, has been approved.

A large-scale work was carried out on the fundamental improvement and simplification of the mechanisms of implementation of investment projects, the expansion of investment, especially foreign direct investment. According to the cumulative forecast parameters of the investment program of the Republic of Uzbekistan for 2021-2023

**On capital investments in 2021-2023  
AGGREGATE FORECAST PARAMETERS  
1 table**

T/r	Moliyalashtirish manbalari	Forecast for 2021	including:				Forecast parameters for the coming years:	
			I quarter	II quarter	III quarter	IV quarter	2022	2023
	<b>Total capital investments</b>	<b>251 085</b>	<b>38 729</b>	<b>71 231</b>	<b>74 183</b>	<b>66 942</b>	<b>309 335</b>	<b>367 930</b>
	including:	23 035,3						
1.	<b>Focused investments:</b>	<b>52 005</b>	<b>8 807</b>	<b>15 671</b>	<b>14 194</b>	<b>13 333</b>	<b>60 196</b>	<b>68 337</b>
1.1.	Budget funds	17 700	2 773	6 523	5 706	2 699	19 650	22 150
1.2.	The Fund for Reconstruction and Development of the Republic of Uzbekistan (in uzs)	2 607	813	623	607	563	3 005	3 217
	<i>million in US dollars</i>	239	75	57	56	52	253	258
1.3.	Foreign loans under the guarantee of the Republic of Uzbekistan (in uzs)	31 698	5 221	8 526	7 881	10 071	37 541	42 970
	<i>million in US dollars</i>	2 908	479,0	782,2	723,0	924,0	3 160	3 450



<b>2.</b>	<b>Decentralized investments:</b>	<b>199 079</b>	<b>29 922</b>	<b>55 560</b>	<b>59 989</b>	<b>53 608</b>	<b>249 139</b>	<b>299 593</b>
<b>2.1.</b>	Enterprise funds, including withholding taxes	57 551	8 460	17 610	16 287	15 193	68 233	79 926
<b>2.2.</b>	Commercial bank loans and other debt funds	39 989	6 318	11 157	11 397	11 117	49 111	57 196
<b>2.3.</b>	Foreign direct investments and unsecured foreign loans (in soums)	83 500	10 742	20 875	27 308	24 574	110 448	137 910
	<i>million in US dollars</i>	<i>7 661</i>	<i>985,5</i>	<i>1 915,1</i>	<i>2 505,3</i>	<i>2 254,5</i>	<i>9 297</i>	<i>11 073</i>
<b>2.4.</b>	Funds of the population	18 040	4 402	5 917	4 997	2 724	21 346	24 560

According to the data, in 2020, 6.6 bln. foreign direct investments in dollars. Businessmen from Russia, China, Germany and South Korea invested the most in the economy of Uzbekistan, and the total number of countries that made investments was 37. 15 billion by the end of 2020. export of dollar goods was carried out. The main sources of investments are state external debt, funds from the Reconstruction and Development Fund, unsecured foreign loans and direct foreign investments, as well as the ratio of commercial bank loans to GDP in 2019 was 23.1 percent. By the end of 2020, this figure was 20.1% of GDP. In particular, 120 trillion in 2021 by commercial banks. It is planned to finance large investment projects in the amount of soums. In order to consistently continue work in the field of construction and textiles, the value of 109 trillion for the years 2021-2023. more than 1 thousand 277 investment projects were formed. About 4.9 bln. USD is expected to correspond to foreign investments and loans. These efforts will make it possible to create about 86,000 jobs. In 2021, as a result of the implementation of 226 large-scale projects, 7.5 bln. It is aimed to absorb foreign direct investments in excess of USD. Of these, 69 promising new industrial projects will be implemented and additional reserves for economic growth will be created. In this, special attention is paid to chemical, energy, mechanical engineering, geology, electrical engineering, pharmaceutical and light industries, which are the main driving sectors.

57.1 trillion in the technological structure of capital investments in the Republic of Uzbekistan in 2022 for machinery, equipment and inventories. Soum investments were absorbed and made up 46.9% of total investments, 55.2 trillion in construction and assembly works. soums (45.3% of total investments) and 9.5 trillion for other expenses. soums (7.8%) were absorbed. The highest indicator of the share of construction and assembly works in the volume of investments in total fixed capital was observed in the Republic of Karakalpakstan - 57.7% or 2.4 trillion. soum. The lowest level in terms of the share of construction and assembly works is observed in Sirdaryo region, 27.2% or 1.4 trillion. amounted to soum. Also, in Sirdarya region, the highest rate of expenditure on machinery, equipment and inventory is 63.2% or 3.2 trillion. amounted to soum.

## CONCLUSION

Liberalization of business activities is required to activate private investments. 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, in order to increase investment attractiveness and ensure sustainable economic growth, encourage investment activity through the development of public-private partnerships and project financing tools, remove bureaucratic obstacles in the implementation of investment projects through digitalization of industries



and remote provision of public services and the most important factors are the organization of work with the appeals and requests of foreign investors to completely eliminate restrictions, ensure maximum transparency and prevent corruption, and direct foreign investments to promising sectors of Uzbekistan.

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 a large part of the banking system's assets are in the hands of private investors.

Secondly, in order to increase investment attractiveness and ensure the rapid growth of infrastructure-oriented investments, which is one of the main factors of sustainable economic growth, the promotion of investment activities by developing public-private partnerships and project financing tools should also be actively carried out.

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. Improving the quality of organization of work with applications and requests of foreign investors to ensure maximum transparency and prevent corruption.

Fourth, reducing the transaction costs that lead to the outflow of labor and capital from the legitimate sectors of the economy to the underground economy.

Fifth, to develop 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 over the next 20-30 years.

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