



## THE ROLE OF FOREIGN INVESTMENTS IN THE SOCIO-ECONOMIC DEVELOPMENT OF THE REGIONS

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### Abstract:

The article discusses the role and importance of foreign investment in the socio-economic development of the regions of our republic, existing problems, analytical data, conclusions, suggestions and recommendations in this regard.

**Keywords:** investment attractiveness, foreign investment, infrastructure facilities, logistics, business incubator, digital economy, investment activity.

**INTRODUCTION.** In the modern stage of the integration of the world economy, the increasing flow of capital between countries is becoming one of the most important elements of investment activity in the economies of different countries. In this process, the main attention is paid to ensuring the economic security of the regions, effective use of investments in the socio-economic development of the regions. For this reason, today, in addition to increasing the existing investment and financial capabilities of the states, special attention is paid to ensuring economic security.

By improving the conditions of doing business in the regions and actively attracting foreign investments to the region, it is possible to increase the well-being of the population. The more business projects are implemented in the regions, the more active participation of the population and enterprises in these projects (contributed labor and other resources), the faster the region will develop socio-economically. The investment attractiveness of the region and the conditions for doing business are directly related to the competitive position in relation to other regions.

Therefore, attracting foreign investments to the regions requires an active, reliable and fair investment policy in the regions. For this: what is the role of my region (province, city, district, village) in the republic and the world? what can the people of this region and the region give to the world that is useful, necessary and necessary?; How can I help this activity? - it will be necessary to find answers to the questions. After all, as President Sh. Mirziyoyev said: "for such high goals we have set before ourselves, we have calculated to increase the volume of investments to 120 billion dollars in the next 5 years, including attracting at least 70 billion dollars of foreign investments".

**LITERATURE REVIEW.** Investor from funds focused on areas: profit and high profitability; long-term economic efficiency from the project; competitive advantage in its market and among its companies; natural resources of the area; cheap and necessary labor resources; ready infrastructure and convenient

logistics in the area; proximity of product sales markets; tax exemptions and rules of operation in the territory; I am interested in the availability of ready-made production areas with infrastructure.

Foreign scientists such as Sushama Deshmukh, Davies S., Hallett M conducted a number of studies on attracting foreign investments to the regions.

From Tumusov F.S., Butov V.I., Ignatov V.G., Kerova N.P., Granberg A.G., in their scientific research, they mainly talked about the theoretical foundations of the organization of efficient, advanced production by attracting investments to the regions.

In the study guide "Regional economy" prepared for the first time in our country from local research scientists under the leadership of professor A.S. Soliev, it is emphasized that the territory, i.e. regions, are taken as the main subjects in the implementation of the regional policy of the state.

In addition, in Sh.I. Mustafakulov's scientific works, the main tasks facing the state and local administrative bodies to solve the issues related to ensuring the even development of the regions and preventing sharp differences between the incomes of the people living there are analyzed in a causal relationship.

**RESEARCH METHODOLOGY.** Methods such as abstract-logical thinking, generalization, etc. are used to cover this topic.

**ANALYSIS AND RESULTS.** Entrepreneurship and a culture of entrepreneurship are the main driving force behind prosperity and innovation.

Attracting foreign investments to the region gives the following positive results: expansion and modernization of production; new jobs will be created, employment will increase and unemployment will decrease; social sphere and education develop (permanent); the outflow of active and able-bodied youth from the region will decrease; infrastructure will

be developed: roads and transport, energy supply, clean drinking water, internet, etc.; small business and private entrepreneurship will develop; the volume of tax and other payments to the local budget will increase; complementary and balanced development of industries in the regions, saving of resources and preservation of nature, and rational use of natural resources; the reputation of the region and its leadership will increase within the region and at the regional level.

In the regions of our republic, the natural climatic conditions are relatively comfortable, the land productivity is relatively high, the working population, especially the high percentage of young people under the age of 30, the high degree of specialization in the field of agro-industry in the industrial sector, the presence of a relative advantage in the fields of vegetable growing, viticulture, livestock and poultry farming in the agricultural sector, transport in the service sector, living and dining, trade, real estate services, rental services, computer and household goods repair services specialization index is somewhat high, favorable geographical location of regions for trade development, availability of favorable climate and recreation conditions for the future development of tourism and excursion services and others are important factors that have a positive effect on the investment attractiveness of regions.

The following can be listed as the main problematic situations in the socio-economic development of the regions:

1. The uneven distribution of natural and mineral resources, the absence of free economic zones in many regions, the low level of industrial capacities, the low level of storage and processing of agricultural products, the improper organization of specialization in the cultivation of repeated crops in the agricultural sector, low value-added sectors, especially rural high level of employment in the economy.

2. Non-uniformity of regions and regions (population, resource endowment, income, economic development, etc.). Dependence of regions on the budget; high competition between regions for resources and their distribution.

3. Uncertain situations and models in the development of Uzbekistan and its regions; low volume of investments; disagreement between educational institutions, scientific research institutes and management and representatives of the manufacturing and service industries.

4. Inadequate development of the production infrastructure, lack of organization of tourism services in the development of the service sector, insufficient development of the business environment for the activation of investment activities, lack of participation

of financial institutions in the implementation of investment projects.

3. The lack of development of public-private partnership projects, the existence of problems in the training and retraining of personnel in the development of small business and private entrepreneurship, the inefficient use of state facilities and land areas by some business entities, and the insufficient use of renewable energy sources.

4. The exit of competitively qualified population from the region, restructuring of the economy and transition to the digital economy, and branding of the region can be mentioned.

**1- Table**  
**By regions of Uzbekistan in 2017-2022**  
**dynamics of foreign investments (percentage)**

Nº	The name of the regions	2018	2019	2020	2021	2022
1	Andijan region	2,8	2,9	2,7	5,7	5,5
2	Bukhara region	13,4	14,2	14	10,9	7,8
3	Jizzakh region	1,3	1,2	1,1	3,6	3,9
4	Kashkadary a region	26,6	24,3	24,6	8,7	5,9
5	Navoi region	11,7	10,8	11	9,4	7,2
6	Namangan region	9,0	8,5	7,8	4,1	5,3
7	Samarkand region	1,2	1,4	1,5	5,4	8,1
8	Surkhondaryo region	5,7	5,8	5,5	4,8	4,3
9	Syrdaryo region	0,8	0,7	1	4,7	4,6
10	Tashkent city	12,0	11,7	12,5	21,9	21,0
11	Tashkent region	5,6	6,2	5,9	10,1	12,9
12	Fergana region	4,0	5,1	4,8	4,9	5,7
13	Khorezm region	1,1	1,3	1,5	2,9	3,3
14	Karakalpakstan Res.	4,8	5,9	6,1	2,9	3,7
<b>Total</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

The analysis of the data in Table 1 shows that the main part of total fixed capital investments is contributed by the city of Tashkent, Tashkent region. Because the well-developed infrastructure and business



environment in these regions, the presence of a sales market are cited as one of the main reasons. In 2022, the main part of investments in the total fixed capital was invested in four regions of the republic, including Tashkent city - 21%, Tashkent region - 13%, Bukhara and Samarkand regions - 8%.

**CONCLUSIONS AND OFFERS.** In order to attract foreign investments to the national economy, the regions require the creation of a favorable investment environment, in particular, the creation of production infrastructure in the regions in the first place. For this, the following conclusions and recommendations were developed:

1. It is necessary to allocate funds from the republican budget for quality organization and further development of infrastructure services (electricity, gas, water, waste water, road, transport). The main reason for this is that the limited local budget does not allow the implementation of these projects. Foreign investors cannot be attracted to these regions unless they have the most necessary electricity, gas supply, water and sewage networks, as well as quality transport routes.

2. Use of franchise in the development of agricultural products storage and processing industry. It is known from international practice that foreign investors invest faster in existing business activities than in new business projects. Therefore, it is necessary to use the brand of well-known enterprises with many years of experience in this field in the development of the agricultural products storage and processing industry.

3. Use of various innovative developments in order to increase the yield of agricultural products. In order to increase land productivity in agriculture, it is necessary to implement projects on natural fertilization (for example, Baikal-M preparation), introduction of water-saving technologies.

4. Increasing the level of provision of agricultural machinery and developing service. Implementation of investment projects in agriculture to provide peasant farms and homestead owners with modern multi-functional equipment.

5. Establishment of business incubators to provide business consulting services for entrepreneurs

in cooperation with the Chamber of Commerce and commercial banks. It will help to improve the financial literacy of entrepreneurs in the regions, and develop model projects.

6. Development of private education and vocational training centers. Today, in the transition to the digital economy, investment in human capital is required by the times. Therefore, it is necessary to establish private education and vocational training centers (IT technologies, learning foreign languages, craft development) in the regions.

7. It is necessary to develop investment projects for the establishment of "Tourist service" complexes at the border points connecting the regions, near the international highway.

8. Preparation of appeals of district governments to investors and dissemination in the media. Preparation of district investment passport with the help of animated videos (in Uzbek, Russian and English languages).

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