

Issues of Increasing the Investment Potential of the Regions

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Abstract

Based on statistical data, the article provides an analysis that reveals the role of investment and the essence of ensuring the economic stability of the regions. In addition, information is widely disclosed on measures aimed at eliminating existing problems associated with attracting investments to the regions, as well as an analysis of the investment potential of the Kashkadarya region.

Keywords: *investment, foreign direct investment, investment environment, investment policy.*

INTRODUCTION.

At present, as a result of restructuring and diversification of the economy, the priority work on attracting investment for employment, modernization of industries, implementation of projects on technical and technological renewal is improving. Given that the further development of Uzbekistan and the world economy depends mainly on investment, today the wider attraction of foreign investment in the economy of our country is becoming an important basis for the effective implementation of economic reforms in our country.

In his speeches, the President Sh. M. Mirziyayev acknowledged the importance of investment in economic development, emphasizing that “The investment is the driving force of the economy.” Therefore, today, as a result of improving the investment climate in Uzbekistan, the tasks of attracting foreign investment to the leading economic sectors and regions of the country, the effective use of foreign investment and loans are being implemented. As a result, it requires an active investment policy aimed at modernization of production, technical and technological renewal, implementation of projects in transport and communications and social infrastructure.

The "Action Strategy" on five priority areas of development of the Republic of Uzbekistan for 2017-2021 was approved. One of the priorities of economic development and liberalization in this "Strategy of Action" is to improve the investment climate, to actively attract foreign, primarily foreign direct investment in the sectors and regions of the economy stated in [2]. No matter how large-scale and targeted the measures are in line with the requirements of a market economy, there are still challenges to be addressed in improving the investment climate, implementing effective investment policies, improving infrastructure in the regions, and attracting foreign investment in industries. . That is, there are still disparities and disparities in attracting investment to the regions. In order to invest, it is necessary to choose such types of products and enterprises that can quickly pay for themselves and provide high economic and technological efficiency. In this case, the quick

return on investment and how its effectiveness levels are important. This can provide an incentive to revitalize the investment process and then select the preferred industries and businesses to invest in. At the same time, the growth rate of foreign direct investment and credit flows is strengthening in projects of regional significance. Their total volume in 2019 amounted to \$ 4.8 billion (including \$ 4.2 billion in fixed capital), an increase of 4 times compared to the corresponding period of 2018 and 24 times compared to 2017. With the participation of foreign capital in the regions the total amount of 858.5 mln. 167 projects worth \$ 1 billion have been commissioned. In 2020, more than 2,000 facilities of social infrastructure and production significance were commissioned, including 206 large production facilities, 240 regional production facilities and 1,600 facilities of social and infrastructure significance. In recent years, measures are being taken to attract investment to the regions where it is needed the most.

IMPORTANCE OF THE RESEARCH

Today, in the changing conditions of global economic growth, Uzbekistan is implementing profound structural reforms that will allow it to invest heavily in its national economy. The process of economic renewal and growth is determined by the volume and composition of investments, the quality and timing of their implementation. Foreign investment plays a special role in the development of the country, improving the living standards and welfare of the population. As a result, it will not only stimulate the economy, but also play an important role in enriching the market with new and quality products, creating additional jobs and increasing export potential. Therefore, in recent years, it has become a priority in our country to provide favorable conditions, additional opportunities and benefits for foreign investors. A legal framework for this is being developed. Extensive work is being done in our country to develop entrepreneurship, create a favorable environment for attracting investment and doing business, strengthening the legal guarantees to protect the legitimate interests of entrepreneurs. However, the weight of investment, the implementation of investments on the spheres, the presence of interference in the activities of investors and administrative barriers justify the relevance of the study.

ANALYSIS AND RESULTS.

In particular, the formation of a market economy in Uzbekistan requires a favorable investment climate in the regions, a sharp strengthening of a number of macroeconomic factors. The processes taking place in this area are explained by the rapid exchange of events. This is a strategic goal to ensure the economic growth of the region, which must meet the criteria of competitiveness and sustainable development of the region's economy.

Achieving the strategic goal can be achieved through the creation of a favorable investment climate. In addition, one of the most important areas of such planning is macro-government management of investment processes. It is known that the natural and climatic conditions of each region, the distribution of economic resources affect their financial and investment potential. The specifics of these regions lead to regional differences in the sectorial structure of investments in fixed assets, and in particular foreign investment [3]. In general, there are a number of macro sources of investment financing, and each country has sufficient statistics. In particular, in Kashkadarya region, the sources of investment financing will be highlighted, and appropriate sources will be coordinated. For more information on the distribution of fixed capital investment by source of funding, one can refer to Table 1.

Table 1 Distribution of fixed capital investments by sources of financing

Indicators	bln soum	Growth rate	Share, %
At the expense of all sources of funding	24462,5	131,2	100,0
Including:			
<i>Centralized investments</i>	<i>10587,3</i>	<i>111,9</i>	<i>43,3</i>
Republican budget funds	810,1	102,6	7,7
Water supply and sewerage system	171,6	227,9	1,6
Under the guarantee of the Republic of Uzbekistan	9605,6	123,8	90,7
<i>Decentralized investments</i>	<i>13751,6</i>	<i>149,4</i>	<i>56,2</i>
Own funds of enterprises	4019,5	100,1	29,2
Population funds	1387,5	95,6	10,1
DFI	7601,8	419,2	55,3
Commercial bank loans	713,4	60,9	5,2
Other borrowings	29,4	436,9	0,2

According to the table above, the volume of investments in fixed assets in 2019 amounted to 24462.5 billion soums, or 131.2% compared to the same period last year. Centralized investments amounted to 10,587.3 billion soums, which is 11.9% compared to the same period last year. Foreign investments and loans guaranteed by the Republic of Uzbekistan amounted to 9605.6 billion soums, which is 123.8% compared to the same period last year. Decentralized investments amounted to 13751.6 billion soums, which is 149.4% compared to the same period last year. In the structure of decentralized investments, foreign direct investment and loans accounted for 419.2%, the highest growth rate.

In particular, the formation of a market economy in Uzbekistan requires a favorable investment climate in the regions, a sharp strengthening of a number of macroeconomic factors. The processes taking place in this area are explained by the rapid exchange of events.

Production investments should play a key role in accelerating the creation and support of economic growth and a favorable investment climate in the regions. Achieving the strategic goal can be achieved through the creation of a favorable investment climate, in which macro-government management of investment processes is one of the most important areas of such planning.

It should be noted that the funds disbursed under the Investment Program in the region on centralized investments in 2019 amounted to 10501555.3 million soums, which is 2288926.8 million soums more than in 2018. At the expense of the Development and Reconstruction Fund in 2019 it amounted to 9548098.6 million soums, which is 8860835.6 million soums more than in 2018. As for decentralized investments, in 2019 they increased by 291836.8 million soums compared to 2018. At the expense of own funds of enterprises in 2019 compared to 2018 decreased by 228651.7 million soums. Foreign direct investment and loans in 2019 increased by 853542.3 million soums compared to 2018. The number of bank loans in 2019 decreased by 3216682 million soums compared to 2015. In 2019, the population's funds decreased by 11,385.6 million soums compared to 2018 (Table 2). The data show that the mechanisms for attracting foreign investment to the region need to be further strengthened.

Table 2 Information on the funds disbursed in Kashkadarya region under the investment program for 2019 (million soums) [4]

#	Sources and shperes	2018, in real	2019, in real
	Total capital investment		
<i>I</i>	Centralized investments	8212628,5	10501555,3
1	At the expense of the republican budget	198798,3	781873,9
2	Irrigated Land Reclamation Fund		171582,8
3	Local budget funds	-	-
4	Government trust funds	442954,5	-
4.1	Republican Road Fund	“	-
4.2	Children's Sports Foundation	45442,4	-
4.3	Equipment of general education and healthcare facilities, reconstruction and overhaul fund	-	-
5	Development and Rehabilitation Fund	687263,0	9548098,6
6	Government-guaranteed foreign investment and loans	6838170,3	-
<i>II</i>	Decentralized investments	7405643,0	7697479,8
1	Own funds of enterprises	3736427,8	3507776,1
2	Foreign direct investment and loans	1560128,7	2413671,0
3	Bank credits	710195,8	388527,6
4	Population funds	1398890,7	1387505,1

In fact, in January-December 2019, 189924.3 billion soums of fixed capital investments were disbursed, of which 26.6% were financed from centralized sources and 73.4% from decentralized sources. 8.6% or 16302.5 billion soums of the total fixed capital investments were used at the expense of the population. In Andijan, Bukhara, Namangan, Samarkand, Fergana and Khorezm regions, the population's investment in fixed assets at the expense of the population's own funds is higher than in other regions [5].

This requires working with foreign partners in these areas and further developing the work that needs to be done to attract investment. As a result, our country will be able to deeply process local mineral resources, solve important issues such as employment in each region, reduce unemployment.

CONCLUSIONS AND RECOMMENDATIONS.

In conclusion, the country and its individual regions, its economic efficiency, are important tools for reducing regional disparities and disparities in the development of direct investment. Their proper use will contribute to the efficient use of natural, economic and labor resources available in the regions, thereby improving the regional structure of the economy. The current stage of formation of the investment climate in the regions is explained by the transition to the path of economic growth.

Therefore, it is important to implement the following measures to increase the investment potential of the regions:

First, pursuing a targeted investment policy aimed at deepening structural change;

Second, to attract investment in the real sector of production, ie in the processing of raw materials;

Third, to pay attention to the development of production and social infrastructure in the regions;

Fourth, to provide full support to priority sectors in order to ensure the competitiveness of domestic products in the world market and increase the country's export potential.

The implementation of the above proposals will have a positive impact on further attracting investment to our national economy. In the end, this program will play an important role in the continuous technical and technological renewal of production, further enhancing the investment potential of the regions.

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