



 Research Article

## INCREASING INVESTMENT ATTRACTIVENESS IN THE DEVELOPMENT OF THE NATIONAL ECONOMY

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### ABSTRACT

In the conditions of economic reforms, it is becoming important to study how to increase the competitiveness of the national economy by assessing the attractiveness and potential of the investment environment, analysing the effect of the rational location of productive forces, carrying out interregional natural-demographic, administrative-economic, regional investment policy, ensuring investment activity.

### KEYWORDS

Investment attractiveness of the country, investment, state, investments, level of economic development, entrepreneur.

### INTRODUCTION

The country's investment attractiveness is a set of objective economic, social and natural signs, tools, opportunities and restrictions that determine the inflow of investment into the territory and are evaluated by investment activity. In recent years, in the context of the prevailing COVID-19 pandemic in the countries of

the world, all economic values, international organizations, and indicators related to the development of regions are being reformed separately. Among the indicators that ensure investment attractiveness, taking into account indicators related to safety, sanitation and health of the population is gaining primary importance.

In order to increase investment attractiveness, the role of the state in attracting investment is high, and it not only forms the country's investment strategy, but also implements specific measures for the conditions of investment activity and its promotion, and creates a favorable investment climate.

According to the scientists, "It is known that the exact methodology for assessing the investment attractiveness of the region is not determined by any international standard or order, therefore, recently, in particular, in the context of the COVID-19 pandemic prevailing around the world, various methodologies for calculating indicators of investment attractiveness have been proposed by scientists. Research related to ensuring the attractiveness of the investment environment of regions and the rational use of the factors represented by its indicators, and their effective management, is a relatively new direction, which requires in-depth research in this regard.

Among the factors that an investor is guided by when choosing a country for investment - natural resources, market size, geographical location, level of economic development, cultural and economic environment, specific elements of the government's economic policy (trade, industry, budget, tax policy) are of primary importance. In other words, the state's economic policy has a major impact on the country's ability to attract investment. Realizing the potential for positive effects of foreign investment on the economy and competitiveness, countries have significantly lowered investment barriers in recent years, thereby opening more sectors to foreign direct

investment flows, attempting to improve the overall investment climate, and providing various incentives to foreign investors.

"Forbes magazine, which reflects various aspects of economic life, evaluates investment attractiveness according to 6 groups of parameters. These are: social characteristics, population's solvency, business environment, ability to withstand crises, infrastructure, comfort. The weight of each parameter of the group is evaluated by the interests of the potential investor aimed at organizing his business and meeting the needs of the population.

Entrepreneurship and investment activities, the economic situation of the country depend to a certain extent on the state policy. By its actions, the state can speed up or slow down these processes. In any country, if the state does not provide the necessary conditions, the economy cannot develop at a normal level, and investments will not be made.

The investment climate is the most important factor influencing the determination of investment policy formation criteria. On the one hand, the investment climate determines the initial conditions for the development of investment policy, and on the other hand, it is considered its result. In the priority sectors of the economy of the Republic of Uzbekistan. Foreign is one of the main means of fundamental structural changes is the state policy on attracting investments to the economy. Without attracting large investment resources. It is impossible to create an efficient economy and of any country. It



is especially new to abandon the use of foreign investments economic development of the country in the period of application of technologies means to be left behind. Stability; costs, risk and minimization of restrictions on the development of competition, welfare of society.

It is known that the exact methodology for assessing the country's investment attractiveness is not defined by any international law, therefore, recently various methodologies are being used to calculate indicators of investment attractiveness. According to some economists, investment attractiveness is determined by the level of income from investment. This approach covers a very narrow field of application, because in order to get accurate and correct results, investments should be made at the same level of risk (danger), which is almost impossible in practice.

"Also, there are a number of approaches based on the interpretation of the investment volume and analysis of their horizontal and vertical structure in order to determine the investment attractiveness. Using it, it is possible to make a conclusion about the favorable (unfavorable) condition of the area. The main disadvantage of this approach is that it takes a superficial view of the investment process. Separate descriptions of investments do not indicate the real state of the investment sector and do not reflect the internal capabilities and prospects of the country. In addition to these, views defining investment attractiveness as a combination of socio-political, natural-economic and psychological characteristics are widespread. Such methodology of investment attractiveness used

by "Euromoney" consists of nine different indicators.

These are: economic efficiency, political risk, indebtedness, debt coverage (default or extension of payment obligations), solvency, bank loans, access to loan capital, force majeure situations. The importance of these indicators is determined by an expert or by calculation and analysis. They are calculated on a 10-point scale and are then weighted according to one or another indicator and its contribution to the final evaluation.

Investment attractiveness index of regions is calculated based on six elements. according to the obtained data, the investment attractiveness of the regions can be divided into three groups (Table 1).

The first group includes the city of Tashkent, Tashkent, Kashkadarya, Andijan and Fergana regions and they are the most convenient for investors (index 0.755-0.347). The high level of investment attractiveness in these regions is determined by the natural and economic potential, infrastructure, including the level of development of transport and information and communication networks.

The second group consists of Samarkand, Bukhara, Navoi and Namangan regions (index 0.322-0.288). These areas are determined by the interest of foreign investors in the operation of mining and processing enterprises.

The third group includes relatively less developed regions - Khorezm, Surkhandarya, Jizzakh, Syrdarya regions and the Republic of



Karakalpakstan (0.284-0.234). The participation of the state in attracting foreign investments to these regions should be high.

### Investment attractiveness of the regions of Uzbekistan defining elements

Table 1

Regions	The level of general economic development of the region	The provision of financial resources of the region	The level of development of investment infrastructure	The level of institutional change and development	Absolute integral indicator
Karakalpakstan Republic of	0,0064	0,121	0,085	0,559	0,234
Andijan	0,341	0,151	0,276	0,560	0,367
Bukhara	0,304	0,144	0,165	0,509	0,315
Jizzakh	0,198	0,049	0,075	0,496	0,151
Kashkadarya	0,362	0,542	0,266	0,370	0,382
Navoi	0,536	0,189	0,218	0,348	0,338
Namangan	0,141	0,118	0,183	0,531	0,285
Samarkand	0,181	0,234	0,154	0,607	0,322
Surkhandarya	0,150	0,101	0,104	0,549	0,250
Syr Darya	0,185	0,037	0,147	0,317	0,247
Tashkent	0,434	0,197	0,366	0,611	0,404
Ferghana	0,317	0,241	0,331	0,289	0,347
Khorezm	0,171	0,113	0,199	0,529	0,284
Tashkent	0,837	0,793	0,701	0,580	0,755

Significant progress can be made in improving the investment climate through a rational investment policy.

First, to accelerate the flow of foreign investments that the state creates not only a favorable but also a competitive investment climate must. That is, the restructuring of our country's economy. Foreign investments necessary for the implementation of investments placement conditions regarding the attraction of foreign investment only if it is better than that of competing countries possible. For countries transitioning to a market economy, foreign investments are primarily modern technological, management and necessary as a source of information innovation. In this, not only external, but it would be appropriate to consider domestic investments as well as. It is necessary to make full use of the existing economic potential of investment financing in the country.

Secondly, one of the main principles of investment climate formation is stability. To encourage private foreign investment into our economy not only the perfection of the investment climate, but also the stability of the created conditions and its guarantee is important.

Third, the investment climate is a key player in the system are private investors. Private investors own taking into account the possibilities and developed strategies to invest in technology, construction, ITTKI(NIOKR) and other fields they decide. Of course, profit is at the heart of such decisions. There is a principle that includes costs, risk and competition are affected

by the limitations of the environment. Direct private investment therefore, it affects economic growth and the standard of living of the population. To achieve these main goals, the state investment climate should carry out the formation policy. Conduct such a policy costs, risks and entrepreneurial activities goals of minimizing restrictions on development lies.

Fourth, the main participants in investment processes despite the fact that they are investment entities, the creation of a favorable investment climate is the well-being of the entire society should serve on the way. That is, the state, while creating favorable conditions for business, also envisages social goals must. One of the main directions of economic reforms in our republic. One is an attractive investment policy, taking into account the above was developed. Attractive for investment activities in Uzbekistan creation of conditions is closely related to state activity includes three directions:

- the risk of investing in the country's economy creating a favorable investment climate that allows for reduction;
- the legal basis of the activity of national and foreign investors development;
- the main goal is the maximum possible amount of investments encourage investment that is attraction.

It is known from world practice that one of the main means of struggle for foreign investors is the existing investment climate

improve investment regimes through liberalization. Creating free foreign direct

investment regimes is really only the starting point of a strategy to attract investment.

Can be One of the most important next steps is such a regimen promote the presence and potential investors to the country is to ensure that they are fully aware of the benefits of investing. Foreign investment for the recipient country.

Recognizing its importance, several developing and transition countries have attracted foreign direct investment flows to their economies. Made great efforts to Therefore, investment promotion (encouragement) to improve the investment climate and directly one of the most important tools for attracting foreign investments became.

Increasing competition among developing countries to attract foreign direct investment national establishment of specially structured investment promotion agencies founded to do.

Nowadays, with the attraction of foreign investments in the world There are 160 agencies involved. Few studies in this field results show that when transition countries have effective foreign investor support agencies can attract more foreign direct investment.

Investment promotion of the country of investment to disseminate information about the image or to create an image actions and investment services for prospective investors can be defined as showing. Implemented by the state increased targeted investment promotion efforts attracting not only foreign investment to the country, but also national and domestic business in accordance with the interests of foreign

entrepreneurs can be a vehicle for significant changes in the environment.

The attitude that the foreign investor faces in the recipient country plays an important role. National Agency of Foreign Investments in Russia,

"KazInvest" in the Republic of Kazakhstan, National Agency for Investment Attraction in the Republic of Moldova, in the Czech Republic

There are national investment agencies such as "ChexInvest". Some countries (Thailand, Philippines, Malaysia) are mostly industrialized "Boards of Investment" with branches in countries – investment created agencies.

One of the processes involved in making an investment is the approval of an investment project, which is one of the most important issues in investment reforms.

In some countries, this process takes a long time and increases the costs of investors. Therefore, in addition to investment promotion agencies, many countries have "One-stop-offices" or "onestop-shops". These agencies help attract investments and speed up their formalization and simplifies.

Establishing relations with foreign business to create a positive investment image of the country and in the imagination of foreign entrepreneurs to create a new entrepreneurial view of Uzbekistan, to form an attractive image of the Republic of Uzbekistan on the world stage it is necessary to implement the following measures:

1.Implementation of information support (supply) and active dissemination of necessary





information and foreign investors the ability to receive without barriers. With the real situation in our country Not all investors are familiar. Transparency of the authorities is one of the main factors in the investor's decision-making. Openness investors need to make a decision about makes a judgment based on the possibility of obtaining information without obstacles. This current legal base of the whole country and individual regions development indicators and forecasts, a list of existing investment projects, about successful investment projects data and any other information necessary for the investor.

2. Another possibility of attracting investors is this about investment opportunities in our country aimed at informing a wide range of potential investors organization of forums, conferences, fairs and other events. Forums for investors, investment in Uzbekistan and its regions should give explanations about the advantages of its activity.

3. To create a program of communication behavior that activates business with chambers of commerce, organizations and offices of foreign countries.

4. In addition to the positive changes in the legislation, go systematically. The campaign has a great impact on the investment climate of our country shows. Propaganda work should be carried out at all levels, that is, ministries, regional administrative management systems and business communities. Various guides for the investor should be developed. They mainly have to solve 3 tasks: the first propaganda, that is,

investors can invest in Uzbekistan and explaining that this is a useful job; the second task is investment how to implement input: what to consider, what should not be forgotten and the preparation of the investment project and the sequence in which the validation steps are performed show Such manuals are from foreign business representatives to be interested in their investments in our country and to avoid making mistakes due to ignorance of our legislation should be an effective tool to help.

The creation of an investment climate does not require the automatic formation of an investment image. As the image has been built up over the years, this measure has the potential to be consistently implemented and extended for years to come strengthens the positive perception of our country by investors. Positive image investment decisions. Although it is not a decisive factor in the acceptance, it is the investors to the country, It is necessary to increase the interest.

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