



FORMATION OF INVESTMENT ENVIRONMENT INNOVATIVE METHODS

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ABSTRACT

In an emerging market economy, investment plays an important role. This article analyzes the ways to attract investment, the opportunities of Uzbekistan to increase investment attractiveness and the assistance provided by the state in this direction. Innovative ways to attract investment are described in detail. That is, the impact of foreign investment on the development of the digital economy in the country has been studied. In addition, proposals have been developed to increase the efficiency of foreign investment in the development of the digital economy and increase the volume of foreign investment entering the economy.

Keywords: Digital economy, foreign investment, investment climate, digital technologies, modern management, innovation.

Аннотация:

В экономике с формирующимся рынком инвестиции играют важную роль. В статье анализируются способы привлечения инвестиций, возможности Узбекистана по повышению инвестиционной привлекательности и помощь, оказываемая государством в этом направлении. Подробно описаны инновационные способы привлечения инвестиций. То есть изучено влияние иностранных инвестиций на развитие цифровой экономики в стране. Кроме того, разработаны предложения по повышению эффективности иностранных инвестиций в развитие цифровой экономики и увеличению объемов иностранных инвестиций, поступающих в экономику.

Ключевые слова: цифровая экономика, иностранные инвестиции, инвестиционный климат, цифровые технологии, современный менеджмент, инновации.

Investment is an important factor in economic development. Entrepreneurship development, increasing incomes, reducing unemployment, ensuring macroeconomic stability and increasing production largely depend on the volume of investment coming into the country. Therefore, a lot of work is being done in our country to increase investment inflows. As a result, the volume of investments in the economy of our country is growing from year to year, which leads to the rapid development of the economy and the development of entrepreneurship.

As the President of our country Shavkat Mirziyoyev said: “The world experience shows that the country that pursues an active investment policy has achieved sustainable economic growth. Therefore, it is no exaggeration to say that investment is the driver of the economy, in Uzbek, the heart of the economy. Along with investment, new technologies, advanced experience, highly qualified specialists come to various industries and regions, entrepreneurship. is developing rapidly”. In addition, the Decree of the



President of the Republic of Uzbekistan "On the Action Strategy for the further development of the Republic of Uzbekistan" sets the following priorities for investment: "Macroeconomic development aimed at further development and liberalization of the economy. to strengthen stability and maintain high economic growth rates, increase the competitiveness of the national economy, modernize and accelerate the development of agriculture, continue institutional and structural reforms to reduce state participation in the economy, protect private property rights and its to further strengthen the priority position, stimulate the development of small business and private entrepreneurship, comprehensive and balanced socio-economic development of regions, districts and cities, improve the investment climate, actively attract foreign investment to sectors and regions of the economy .

The role of investment potential in the investment environment. Legal and regulatory system in the formation of the investment climate The purpose of improving the investment climate is to create the necessary and favorable conditions for increasing investment potential. Investment potential is a set of resources that are used (used) in economic activities, such as production reserves, capacity, strength, capacity, etc. Investment potential characterizes the level of ability to invest (invest) in long-term assets in order to make a profit or achieve a positive social effect. Investment potential is a set of factors that have shaped a country over the centuries. These factors include factors of production, factors of natural resources, factors of labor, factors of innovation and consumption, as well as the financial potential of the country.

Natural potential includes the quantity and quality of natural resources, the country's climate, natural and geographical conditions. Natural resource factors play an important role in the location of productive forces and include: mineral resources (minerals); agro-environmental conditions; land and water resources; flora and fauna, etc. Labor potential characterizes the number of economically active population, age, level of education of the population. Also, if it consists of people who are capable of production, have knowledge, skills, abilities, the intellectual potential reflects the scientific, educational, spiritual, intellectual potential of the members of society. As a rule, foreign investors are attracted by areas with skilled labor and low wages.

Production potential includes the country's existing production capacity, means of production, structure of the economy, extractive and processing industries, the number of successful investment projects (including investment projects implemented by joint ventures), small business and represents the state of development of private entrepreneurship and so on. The technical and technological potential of the country consists of the number of machines, their composition, technological system, etc., which depends on the achievements of science and the extent to which they are applied. Innovation potential characterizes research and development in the country, the level of renewal of equipment and technology (new generation), innovations in national production, discoveries.

Consumer potential is viewed by investors as the share of domestic products sold in the domestic market, the study of demand on this basis, the level of income of competitors and the population. Financial capacity characterizes the financial capacity of the country, the ratio of consumption and savings, monetary and deposit policy in the banking sector, the state of external debt, domestic reserves and more. Service potential reflects the level of service in the country and the quality of service. The



more developed the service in the country, the more investors will be interested in it. The presence of these factors, which characterize the investment potential, may be one of the main reasons why foreign entrepreneurs invest in this country. However, the availability of investment potential does not guarantee a stable inflow of foreign investment in the long run. Without favorable investment conditions in the country, investment potential is still an "undigested" wealth.

The assessment of the investment climate is based on the investment conditions. Investment conditions include the following factors:

- general economic conditions - GDP growth rate, inflation rate, unemployment rate, interest rate, production volume and composition, balance of payments, degree of monopoly, currency conversion, external debt, volume of investments and sources of financing, state budget deficit, etc ;
- political conditions - political stability in the country, the existence and implementation of regulations governing investment activities and ensuring the rights of investors and the guarantees created for them, the state of crime and corruption, etc;
- market mechanism conditions - development of market infrastructure: banking, insurance, stock market, transport and communication, competition and price formation, etc .;
- information supply conditions - the development of information and telecommunications, the ability to quickly obtain information about competitors, the transparency of information about local partners, etc .;
- ecological conditions - the ecological situation in the country, the presence of ecologically dangerous areas in the country and neighboring countries, the state of compliance with environmental standards in international law, etc .;
- Socio-cultural and ethnographic conditions - the mentality and culture of the local population, lifestyle and living conditions of the population, the attitude of society to foreign investment, etc.

It is known that the government will improve the investment climate in the country, improve the macroeconomic situation, strive for economic stability and ensure economic growth. This will not only make the investment climate more attractive for foreign investors, but also stimulate domestic investment processes. It should be noted that the formation of the investment climate in our country requires constant improvement of the legal and regulatory system. This, in turn, will stimulate foreign investment and promote economic growth.

Today, the priority is to ensure a continuous improvement of the favorable investment climate in Uzbekistan. The main task of the state is to create a favorable investment climate for raising capital.

At present, the Republic of Uzbekistan has the opportunity to attract a large amount of foreign investment:

- ❖ Legislation reflecting guarantees and benefits;
- ❖ The growing share of the private sector and small business and private entrepreneurship in the economy, the protection of private property by the state and the existence of a competitive environment;
- ❖ Creation and development of the necessary investment infrastructure;
- ❖ Political stability;



- ❖ Moderate geographical location;
- ❖ Possession of rich natural mineral raw materials; development of agriculture;
- ❖ Availability of cheap and skilled labor resources, etc.

One of the important factors of the investment climate in Uzbekistan is the status and functioning of the system of financial and economic incentives and benefits for foreign investors. At the same time, these incentives and benefits should be used to increase foreign direct investment in manufacturing and, above all, to increase export potential. As mentioned above, the republic has a certain level of acceptance of foreign capital. It is a set of legal norms, rules and institutions that express the state policy towards foreign capital. The system of acceptance of foreign capital is an integral part of the investment climate and at the same time is independent, because it has the ability to change the system.

The elements of this system are as follows:

- Granting tax and customs benefits for foreign capital; convenient mode of transfer of profits to another economy;
- Guarantees from nationalization; simple registration rules;
- Establishment of free economic zones;
- Limitation of the share in the share capital;
- Introduction of mandatory export quotas;
- Price control;
- Licensing of foreign trade operations, etc.

We believe that the development of a favorable investment climate in the country requires further strengthening of incentives. In this regard, in order to encourage investment in production, business structures should be given full freedom to use accelerated depreciation methods. In a market economy, depreciation is one of the main factors that stimulate investment activity of enterprises. Therefore, in developed countries, the depreciation rate is determined at the same time as the approval of the tax rate. In this case, high depreciation rates are set to encourage investment in key sectors. It is important to apply this experience in Uzbekistan, because the average depreciation rate for machinery and equipment in our country is 15%, in the United States it is 20-33%, in the UK - 25%.

Strengthening the role of tax incentives in developing a favorable investment climate is invaluable. The incentive role of taxes can be considered in four ways: temporary tax exemption; tax rate reduction; narrowing the tax base; deferral of tax liability (tax credit). These incentives apply to a wide range of enterprises with foreign investment. Incentive tax incentives should be introduced, as well as investments in human capital, technological growth and development of technical knowledge. All this raises the issue of modeling the investment climate in Uzbekistan.

This model provides an opportunity to gather comprehensive information on the factors influencing the foreign investor, to clearly assess the political, economic and social situation and to understand the motivation of foreign partners, to reform the main tools of foreign investment regulation. Also, the tax exemptions used in the taxation of income of enterprises based on foreign investment must, firstly, clearly state the duration, amount and conditions of application of these tax exemptions; secondly, these benefits are familiar and understandable to foreign investors and are set for at least five to ten



years; and third, to ensure that tax incentives remain unchanged and fixed. Only then can these benefits work. It is advisable to study the world experience in granting tax benefits. In the United States, businesses are exempt from paying taxes for the period in which they operate at a loss. It would be useful to apply this experience to companies operating in the most relevant sectors in Uzbekistan. This will require strict tax controls.

In the transition to a market economy, the state must focus on the formation of certain systems, the creation of new regions and the creation of primary resources for the growth of production, or the support of production. It is also advisable to strengthen support for sectors and research that are important for public investment and their strategic development, but may not be effective in the future. All over the world, public funds are spent on large-scale projects such as road construction, urban development and industrial infrastructure development. In a market economy, the role of the state gradually diminishes, leaving it largely state-level. That is, the primary education in the social sphere, emergency medical care, public administration, etc. are funded from the budget.

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