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THE ROLE OF INVESTMENT IN THE DEVELOPMENT OF THE REGIONAL ECONOMY

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Annotatsiya. Maqola investitsiya faoliyatining nazariy asoslarini o'rganish, o'sish sur'atlarini tahlil qilish, investitsiyalarning hududiy tarkibi, shuningdek, O'zbekiston hududlarida moliyalashtirish manbalari va iqtisodiyot tarmoqlari bo'yicha tuzilishini o'rganishga bag'ishlangan. Aholi jon boshiga investitsiyalar hajmining qiyosiy o'rganilishi o'tkazildi. Mamlakatimiz hududlarida investitsiya faolligini oshirish bo'yicha takliflar berildi.

Kalit so'zlar: Innovatsion jarayonlar, hozirgi tendentsiyalar, tarkibiy o'zgarishlar, investorlar, iqtisodiyotni yaxshilash

Аннотация. Статья посвящена изучению теоретических основ инвестиционной деятельности, анализу темпов роста, территориальной структуры инвестиций, а также структуры по источникам финансирования и секторам экономики в регионах Узбекистана. Проведено сравнительное исследование объема инвестиций на душу населения. Даны предложения по усилению инвестиционной активности в регионах страны.

Ключевые слова: инновационные процессы, современные тенденции, структурные изменения, инвесторы, экономическое улучшение.

Abstract. The article is devoted to the study of the theoretical foundations of investment activity, the analysis of growth rates, the territorial structure of investments, as well as the structure by sources of financing and sectors of the economy in the regions of Uzbekistan. A comparative study of the volume of investment per capita has been carried out. Proposals are given for enhancing investment activities in the regions of the country.

Keywords: Innovative processes, current trends, structural changes, investors, economic improvement.

Introduction. Comprehensive and balanced socio-economic development of regions, districts and cities, as well as the optimal and effective use of their potential are among the main priorities of the Action Strategy for the subsequent growth of the Republic of Uzbekistan in 2017-2021. At the same time, in order to quicken structural changes and increment the living standards of the population, it is necessary to ensure the comprehensive and effective use of the natural, mineral, raw materials, industrial, agricultural, tourist and labor potential of each region. Affinity

of investments from large business associations, loans from banks and private foreign companies will assure fast development through structural innovation and improvement of the economy, incitement of innovative production, creation of new industrial production facilities, service centers and agro-industrial complexes. Temperamental attraction of investment resources and increasing the efficiency of their use in the regions of the country is of great importance in ensuring sustainable economic growth, improvement and diversification of production, structural changes in the economy. This, in turn, contributes to the solution of socio-economic problems, the reimbursement of the vital needs of people and the improvement of the quality of life of the population of each territory. In the context of structural changes in the economy, it is necessary to look for new sources and opportunities for financing production in the regions.

Literature review. Investment activity is an important factor in economic growth. In the modern economy, the level of investment activity is one of the most accurate indicators characterizing the quality of economic growth and the possibility of social progress [1]. Uzbek economist F.U. Dodiev [2] believes that investment is a combination of all types of property, financial and intellectual wealth invested in entrepreneurial activity and other objects of activity by investors in order to obtain a stay (income) or achieve a social effect in the future.

Among the domestic scientists and economists, A.A. Rafiev [3] considered the regional features of attracting investment resources and proposed priority areas for the development of foreign investment based on the analysis of the conditions and factors of capital investment. In his opinion, in view of the different levels of investment potential formed in the regions, it is necessary to apply an individual approach to attracting investments, taking into account the reduction of interregional differentiations. Professor N. Khaidarov [4] believes that an investment is a set of values of the financial, material and intellectual wealth of an investor (state, business entities and individuals) aimed at achieving an economic effect (revenue, income, profit). According to D.B. Krutskikh [5], the investment activity of the region as an economic category is a set of economic and organizational relations that ensure the growth and improvement of the structure of investments, the expansion of promising areas of their application, improvement on the basis of investment activities of the key parameters of the socio-economic system of the subject of the country .

The purpose of this scientific work is to reveal the current trends in the development of investment processes in the regions of Uzbekistan over the past decade. The main objectives of the article are to study scientific approaches to investment activity, analyze the growth rates and structure of investments in the regions, determine the differentiation between regions in attracting investments and develop proposals for enhancing investment activities in the regions. Methods of analysis, synthesis, comparison, statistical method and others were used. Creation of a favorable investment climate and active development of investments, especially in relatively lagging districts and cities, contributes to the expansion of the diversification of the economy of the territories and their accelerated development. This helps to reduce differentiation in the level of socio-economic development of regions. Further development and modernization of the industrial, engineering,



communication and social infrastructure of the territories, in turn, create favorable conditions for the placement of high-tech production facilities, the widespread development of private entrepreneurship and the improvement of the living conditions of the population.

Successful implementation of state and sectoral programs providing for the implementation of large investment projects for the creation of new, as well as the modernization and reconstruction of existing facilities, for 2005-2016. made it possible to ensure the development of a large volume of investments for the development of the fuel and energy and textile complex, the chemical industry, mechanical engineering, and the construction materials industry. Due to the outstripping growth of investments in the economies of most regions, a positive effect has been achieved in ensuring economic growth. By working with the article, I was aware of the following. Growth rates of investments and GRP of the country's regions, 2005-2016, times

A significant increase in the volume of general and foreign investment in 2005-2016: in the Republic of Karakalpakstan (3.5 and 5.5 rubles), Bukhara (10 and 26.5 rubles), Tashkent (4 and 2.9 rubles), Namangan (5.6 and 12.6 rubles) regions reflected in the real growth of investments of the Republic of Uzbekistan (growth by 4.6 times), including foreign (by 4 times). In terms of the level of investment efficiency (the ratio of accumulated economic growth to the accumulated growth of investments in individual regions), the city of Tashkent (coefficient 1.006), the Republic of Karakalpakstan (0.917), Khorezm (1.030), Samarkand (0.712), Jizzakh (0.654), Kashkadarya (0.604) regions. According to the level of investment efficiency (the ratio of accumulated economic growth to the accumulated growth of investments in individual regions) for the period under review, high places were occupied by the city of Tashkent (coefficient 1.006), the Republic of Karakalpakstan (0.917), Khorezm (1.030), Samarkand (0.712), Jizzakh (0.654), Kashkadarya (0.604) regions. At the same time, the economic return from the implementation of large investment projects in some regions (Bukhara, Navoi regions) is transferred to the republic and other regions.

The reason for this is that although the huge amounts of investment in strategic industries are statistically accounted for within a particular region, the products resulting from the implementation of these investment projects are not considered part of the gross regional product of the target area. At the same time, there is a high level of capital intensity of production in the territories where large state investment projects are mainly implemented. The high level of capital intensity in these regions is also explained by the special attention paid to the fuel and energy complex within the framework of government programs, as a priority sector of the country's socio-economic development, the effect of which should be expected in the long term. As a result of the development and implementation of programs for the modernization of the basic sectors of the economy, qualitative shifts have been achieved in the territorial structure of investments.

Measures to attract foreign investment and improve the investment attractiveness of Uzbekistan. Over the past few years, Uzbekistan has gone through an accelerated economic transformation and is increasingly featured in the



international community as one of the symbols of openness, innovation and determination in removing all kinds of barriers to business and investment. For the effective implementation of the Law of the Republic of Uzbekistan "On Investments and Investment Activities", a 4-tier mechanism of interaction between public authorities and investors is successfully functioning, residing of the Ministry of Investment and Foreign Trade, deputy heads of khokimiyats and diplomatic missions abroad and commercial banks, which allows you to respond fast to all investor enquiries and to correctly monitor the effectiveness of the realization of the measures provided for by the law.

In this vein, it is important to note the role of the Council of Foreign Investors under the President of the Republic of Uzbekistan, created with the support of the European Bank for Reconstruction and Development, which provides a direct dialogue with investors operating in the Republic. The development of the institution of international arbitration courts also receives active support, which ensure the rule of law and the proper fulfillment of the obligations assumed by the state and local investors, which is an important and systemic component of the country's investment climate. Investment and innovation activity of business can no longer be solved by simple tools - the provision of preferences or the publication of new declarative norms.

To spur private investment requires the liberation of entrepreneurial activity. We need a constant dialogue with business, painstaking work to identify and overcome barriers that hinder the development of certain sectors. In this concern, active work is being carried out in the following areas.

Firstly, in order to maintain consistently high rates of economic growth, it is necessary to form a stable and competitive model of the country's economy, in which the prevailing share of the banking system's assets should be in the hands of private investors.

Secondly, the stimulation of investment activity through the development of instruments of public-private partnership and project financing to ensure the accelerated growth of investment in infrastructure, which is also one of the key factors in increasing investment attractiveness and sustainable economic growth, is in an active phase. The processes of interaction between investors and the state are being optimized to completely eliminate bureaucratic barriers and obstacles in the implementation of investment projects through digitalization and contactless provision of public services. The quality of the organization of work with appeals and inquiries of foreign investors is improving in order to ensure maximum transparency and prevent corruption. There is a decrease in transaction costs, which lead to the flow of labor and capital from the legal to the shadow sector of the economy. An investment policy strategy is being developed, focused on certain, most promising sectors for Uzbekistan, capable of becoming points of technological breakthrough and laying the foundation for the development of the country's productive forces for the next 20-30 years.

Given the fact that the investment climate affects almost all spheres of the country's activities, the range of reforms covered all areas, including economic, institutional, educational, healthcare, agriculture, water supply, energy, transport and others. Great



attention is also paid to practical support of entrepreneurs and initiators of investment projects.

The most striking example in this direction was the activities of the Government Commission for the Development of Exports and Investments, created in 2020, whose tasks are to closely interact with entrepreneurs and exporters, analyze the problems they faced in connection with the restrictions caused by the pandemic, as well as develop and implementation of prompt and effective solutions based on an individual approach to each business entity. As a result of the field work of the Commission members at the end of last year, the activities of more than 98 thousand enterprises were studied in a targeted manner, as a result of which 6,235 problematic issues of 5,902 enterprises were identified, each of which was worked out and resolved in close cooperation of the relevant ministries, departments, commercial banks, local authorities and diplomatic missions of the Republic abroad. Currently, the Republic of Uzbekistan has a valid law on investments and investment activities, which regulates relations in the field of investments carried out by foreign and domestic investors.

"Strategy of the investment policy of the Republic of Uzbekistan until 2025" was prepared by the Ministry of Economy and Industry of the Republic of Uzbekistan on the basis of an analysis of international experience, trends and problems in the development of investment processes, the economy of the republic, its industries and regions. The goal of the investment policy strategy until 2025 is to increase the competitiveness and balance of the economy, develop production and export potential, develop regions and improve the living conditions of the population. The main objectives of the Strategy are defined in three key areas: improving the investment climate, activating internal sources of investment and increasing the efficiency of using investment resources, implementing effective operational measures and developing new approaches to attracting foreign investment. The main sources of investment by 2025 will be direct investment, including public-private partnerships, public investment and investment from corporate securities. Within the framework of ongoing and promising new investment projects in 2019-2025, it is planned to develop decentralized investments in the amount of over 1,002.5 billion soums. At the same time, about 30% will be financed from the enterprises' own funds.

The share of investments in fixed assets in GDP is expected to increase from 30.5% in 2018 to 37.5% in 2025. At the same time, in 2025, the volume of attracted foreign direct investment and loans will amount to 11 billion US dollars, compared with 1.6 billion US dollars in 2018. The result of the implementation of the Investment Policy Strategy will be to ensure the comprehensiveness of the regional and industrial development of the republic, as well as the formation of value chains of products from raw materials to finished products, the strengthening of existing and the formation of new interregional and intersectoral ties, the development of cooperation between industries, regions, government bodies and private business.

Conclusion. The analysis revealed that there is a high concentration of investment resources in regions with rich natural resources and production potential, where large investment projects are being implemented in the basic sectors of the



economy. To intensify the attraction of investments to the regions, it is advisable to expand the powers of local authorities to attract investments, as well as to strengthen the human resources of regional departments of foreign economic relations.

It is necessary to improve the qualifications of employees, create specialized design organizations for the development of business plans, feasibility studies of projects (indicating the return on investment, payback periods of projects, photos, the offer of specific real estate and the right of ownership by investors) in the regions of the republic. Based on the comparative advantages of the regions, it is necessary to intensify the attraction of investments to the lagging territories through the development of secondary sectors of raw materials processing. It is necessary to take a set of measures to stimulate investment resources in such non-resource sectors as light and food industries, mechanical engineering, electronics, microbiology, pharmaceuticals, building materials industry, etc.

The development of unique natural resources contributed to the provision of a high concentration of investment resources in regions with rich natural resource and production potential. Based on the comparative advantages of the regions, it is necessary to intensify the attraction of investments to lagging territories by developing secondary sectors of raw materials processing, to take a set of measures to intensify investment activity in such non-resource sectors as light and food industries, mechanical engineering, electronics, microbiology, pharmaceuticals, building materials industry, etc. etc.

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