

**ISSUES OF ATTRACTING FOREIGN INVESTMENT TO ENSURE
SUSTAINABLE ECONOMIC GROWTH IN UZBEKISTAN
ВОПРОСЫ ПРИВЛЕЧЕНИЯ ИНОСТРАННЫХ ИНВЕСТИЦИЙ В
ОБЕСПЕЧЕНИЕ УСТОЙЧИВОГО ЭКОНОМИЧЕСКОГО РОСТА
УЗБЕКИСТАНА**

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Annotation: The ways of ensuring sustainable economic growth of the country, the development of foreign investment and foreign direct investment, increasing the investment activity of enterprises and organizations, and modernization of production are justified.

Аннотация: Обоснованы пути обеспечения устойчивого экономического роста страны, развития деятельности иностранных инвестиций и прямых иностранных инвестиций, повышения инвестиционной активности предприятий и организаций, модернизации производства.

Key words: foreign investment, enterprises with foreign investments, export, tax regimes, taxes and customs duties, tax rates, tax incentives and preferences

Ключевые слова: иностранные инвестиции, предприятия с иностранными инвестициями, экспорт, налоговые режимы, налоги и таможенные пошлины, солиқ ставкалари, налоговые льготы и преференции

To date, the provision of political and macroeconomic stability, the guarantee of the protection of the rights of foreign investors and the creation of a system of broad preferences are one of the priorities of the country's rational investment policy.

Also, according to the state statistics office in our country at the moment, according to the state of March 1, 2021, the number of enterprises operating with the participation of foreign capital in the Republic is 12069 units. In the context of regions, the largest number of enterprises with foreign capital is located in the city of Tashkent-7124 and the smallest-in the Republic of Karakalpakstan-164.¹

In this regard, the head of our state Sh. Mirziyoyev said: "The international experience demonstrates that those countries, which pursue active investment policy, succeed in steady growth of their economies. It is therefore, it will not be an exaggeration to say that investments are driving engine of country's economy, or "it's the heart of economy" to say it in Uzbek. Investments bring modern technologies, advanced experiences and skilled expertise to different fields and regions, facilitate development of businesses,"²

In 2017-2021, special attention was paid to the third important direction of the action strategy for the five priority areas of development of the Republic of Uzbekistan – the further development of international economic cooperation, including the expansion of ties with leading international and foreign financial institutions, the continuation of a well-thought-out foreign debt policy, and ensuring the effective use of budget funds.³

On December 28, 2018, President of the Republic of Uzbekistan Shavkat Mirziyoyev adopted the "State Program for the implementation of Active Investments and Social Development in the current year", which provides for the implementation of projects worth 16.9 trillion soums and \$ 8.1 billion in order to ensure the implementation of important issues identified in the address to the Oliy Majlis and the Parliament of the Republic of Uzbekistan.⁴

¹ O'zbekiston Respublikasi Davlat Statistika Qo'mitasi; <https://www.stat.uz/uz/>

² O'zbekiston Respublikasi Prezidenti Shavkat Mirziyoyevning Oliy Majlisga Murojatnomasini. 2018 yil 28 dekabr; <https://nrm.uz/>

³ O'zbekiston Respublikasi Prezidentining 2017-yil 7-fevraldagi "2017-2021 yillarda O'zbekiston Respublikasini rivojlantirishning beshta ustuvor yo'nalishi bo'yicha Harakatlar strategiyasi to'g'risida"gi farmoni; <https://www.lex.uz/>

⁴ O'zbekiston Respublikasi Prezidentining 2019-yil 17-yanvardagi "2017-2021 yillarda O'zbekiston Respublikasini rivojlantirishning beshta ustuvor yo'nalishi bo'yicha Harakatlar

An important priority direction of this program in the field of economic development and active investment is ensuring macroeconomic stability, create the necessary conditions for healthy competition, radical improvement of business and investment climate, significant reduction of the state's participation in the economy, to maintain high performance of economic indicators, it is important that "secret" is aimed at combating the economy and sharply reducing its share, continuing the liberalization of monetary policy.

In 2018, 18 interstate visits were made and investment agreements worth \$ 50 billion were reached. According to 2019, 456 projects worth 23 billion US dollars were implemented in our country from the account of foreign investments.⁵

Currently, a large number of enterprises with foreign investments are being created in our country, working in various industries. The increase in the number of enterprises with foreign investments is primarily due to the political stability in the country and the improvement of the legal framework for investment.

In connection with the tasks defined in the state program to increase the investment potential of the Republic, attract investment in priority areas and sectors of the economy, ensure the interaction of the investment process with the production of products intended for competitive export, as well as the implementation of the strategy of action in the five priority areas of development of the Republic, the Decree of the President of the Republic of Uzbekistan "On measures to improve the management system in the field of investment and foreign trade" was adopted on January 28, 2019. According to the decree, the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan was established on

strategiyasini "Faol investitsiyalar va ijtimoiy rivojlanish yili"da amalga oshirishga oid davlat dasturi to'g'risida"gi farmoni; <https://lex.uz/>

⁵ 2017-2021 yillarda O'zbekiston Respublikasini rivojlantirishning beshta ustuvor yo'nalishi bo'yicha Harakatlar strategiyasini "Faol investitsiyalar va ijtimoiy rivojlanish yili"da amalga oshirishga oid Davlat dasturi to'g'risida O'zbekiston Respublikasi Prezidentining farmoni; <https://president.uz/uz>

the basis of the Ministry of Foreign Trade of the Republic of Uzbekistan and the State Investment Agency, and its main tasks and activities were defined.⁶

According to the State Statistics Committee, as of January 1, 2021, the number of enterprises with foreign capital in the republic is 11,781, including joint ventures - 5,672, foreign enterprises - 6,109.⁷

Industry	3943
Sales	3113
Construction	955
Agriculture, Forestry and Fisheries	673
Accommodation and catering services	498
Transportation and storage	316
Information and communication	315
Health and social services	169

1st table

As of January 1, 2021, the number of enterprises with foreign capital by industry.(State Statistics Office of the Republic of Uzbekistan <https://www.stat.uz/uz/>)

Improving the effectiveness of attracting foreign direct investment in the infrastructure development of the city of Tashkent, widely informing foreign investors about the opportunities and potential of the capital, the resolution of the Cabinet of Ministers of the Republic of Uzbekistan”On additional measures to attract foreign direct investment in the infrastructure development of the city of Tashkent " of January 4, 2019, adopted in order to increase the responsibility of

⁶ O'zbekiston Respublikasi Prezidentining 2019-yil 28-yanvardagi “Investitsiya va tashqi savdo sohasida boshqaruv tizimini takomillashtirish chora-tadbirlari to'g'risida”gi farmoni; <https://lex.uz/>

⁷ O'zbekiston Respublikasi Davlat Statistika Qo'mitasi <https://www.stat.uz/uz/>

district khokimiyats in creating favorable conditions for attracting foreign investment and implementing investment projects.⁸

The resolution defines the main tasks of the heads of khokimiyats, district khokimiyats and public administration bodies of the city of Tashkent in the field of attracting foreign direct investment and creating investor support centers under the khokimiyats of the districts from February 1, 2019.

Economic sectors	2009	2011	2013	2015	2017	2018
The impact of foreign investment on total investment volume	35.4	23.5	23.1	21	26.9	29.2
The impact of foreign direct investment on the total volume of investments	30.5	21.2	16.9	15,2	20.4	13.7
Total foreign direct investment impact of foreign direct investment	86.2	78.8	72	73	75.8	46.8

2nd table

Dynamics of foreign investments attracted to the economy of the Republic of Uzbekistan (in percentage terms).(State Statistics Office of the Republic of Uzbekistan <https://www.stat.uz/uz/>)

Creation of favorable conditions for the accelerated development of small businesses and private entrepreneurship, further strengthening of legal mechanisms for the protection and guarantees of private property, elimination of bureaucratic barriers to the development of entrepreneurship, in order to consistently implement measures aimed at improving the investment climate and business climate, The Decree of the President of the Republic of Uzbekistan “On measures to radically improve the system of state protection of the legitimate interests of business and

⁸ O‘zbekiston Respublikasi Vazirlar Mahkamasining 2019-yil 4-yanvardagi “Toshkent shahrining infratuzilmaviy rivojlantirishga to‘g‘ridan-to‘g‘ri xorijiy investitsiyalarni jalb qilishga doir qo‘shimcha chora-tadbirlar to‘g‘risida”gi qarori; <https://www.lex.uz/>

the further development of entrepreneurial activity” of June 19, 2017 has become important.⁹

According to this decree, as part of the implementation of projects for the integration of economic entities of the Republic into the international business community, ensuring the export of products of local enterprises to foreign markets, actively promoting national brands abroad, attracting local and foreign investment, as well as modern technologies, including in the small industrial and free economic zones that are being created on the territory of the Republic, the task of providing comprehensive assistance to foreign investors was determined individually.

In order to provide preferential tax benefits to foreign enterprises operating in Uzbekistan, their further expansion and development, we can make the following proposals:

- Further acceleration of the implementation of an open-door policy towards foreign investors who supply Uzbekistan with competitive products that meet international requirements to increase exports, technologies that are attracted to production, in accordance with the requirements of the time;
- develop a mechanism to support high-tech industries, including in small industrial zones and technology parks, with an increase in their production and export volumes, and foreign direct investment;
- Increasing the incentive impact of incentives on enterprises with foreign investment to accelerate scientific and technological progress and its production in free economic zones, increase competitiveness in the world market and the production of consumer goods.

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⁹ O'zbekiston Respublikasi Prezidentining 2017-yil 19-iyundagi “Biznesning qonuniy manfaatlari davlat tomonidan muhofaza qilinishini va tadbirkorlik faoliyatini yanada rivojlantirish tizimini tubdan takomillashtirishga doir chora-tadbirlar to'g'risida”gi farmoni; <https://www.lex.uz/>

3.O'zbekiston Respublikasi Prezidentining 2017-yil 7-fevraldagi “2017-2021yillarda O'zbekiston Respublikasini rivojlantirishning beshta ustuvor yo'nalishi bo'yicha Harakatlar strategiyasi to'g'risida”gi farmoni;

<https://www.lex.uz/>

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<https://lex.uz/>

5.2017-2021 yillarda O'zbekiston Respublikasini rivojlantirishning beshta ustuvor yo'nalishi bo'yicha Harakatlar strategiyasini “Faol investitsiyalar va ijtimoiy rivojlanish yili”da amalga oshirishga oid Davlat dasturi to'g'risida O'zbekiston Respublikasi Prezidentining farmoni; <https://president.uz/uz>

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