

## INTERNATIONAL INVESTMENT POLICY: ECONOMIC AND LEGAL TRENDS

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**Abstract:** this study provides an in-depth analysis of investment policy within the context of global investment market trends. It explores the economic and legal principles of investment policy, domestic and international influencing factors, main objectives, tasks, and relevant legal documents, including UN treaties and agreements. The research also examines national and international legislation, mechanisms for promoting and protecting investments, and the roles of international organizations such as the World Bank, IMF, and OECD (World Investment Report 2024).

**Keywords:** foreign direct investment (FDI), international investment policy, economic principles, legal frameworks.

In the current global economy, investment policy and its economic and legal foundations hold significant importance. International investment agreements, bilateral investment treaties (BITs), and other legal mechanisms are critical in creating a reliable environment for investors and strengthening economic cooperation between countries (Bilateral Investment Treaties). This article is a comprehensive study analyzing the economic and legal principles of international investment policy, trends in investment activities, the advantages and disadvantages of investments, and support mechanisms. It also details the roles of national legislation and international organizations (e.g., World Bank, IMF, OECD) and mechanisms for promoting and protecting investments (Investitsiyalarni himoya qilish).

Investment Market Development: Countries strengthen investment policies to attract foreign investments, enhance export potential, and diversify their economies. For instance, Nicaragua's new laws to protect investments have

contributed to further economic growth (Investitsiyalarni himoya qilish). Prior studies have focused on various aspects of investment policy—economic, legal, and financial. For example, Nicaragua’s 2015 laws, enacted through the ProNicaragua agency, aimed to enhance measures for promoting and protecting investments (Investitsiyalarni himoya qilish). Additionally, literature such as investment activity and policy presentations provides detailed insights into the principles of investment activities, collaboration with international investors, and the role of financial institutions (Investitsiya faoliyati).

Sources analyzing BITs and international investment agreements outline their core principles and regulations from the perspective of investment security and reliability. These sources describe mandatory legal norms, taxation, property, capital transfers, and mechanisms for resolving investor-government disputes (Bilateral Investment Treaties). The Government Finance Officers Association (GFOA) and HIAS Foundation’s guidelines are also recognized, with their policy statements targeting asset management, capital preservation, and income growth (Investment Policy - GFOA). Financial Risk Management: Investment policy is crucial for creating a reliable environment for investors, who aim to secure their capital, minimize risks, and achieve stable returns. Organizations like HIAS Foundation and GFOA outline principles for capital preservation, liquidity, and high returns (Investment Policy - GFOA).<sup>1</sup> Investment Objectives and Tasks: The primary task of investment policy is to support economic stability, develop production and export potential, and enhance economic prosperity across regions and sectors. Governments utilize taxes, subsidies, credit policies, and other economic mechanisms to implement investment policies (Investment Policy - GFOA). Legal Trends Legal mechanisms are as critical as economic factors in shaping investment policy. International investment agreements, BITs, and other legal documents provide reliable mechanisms for protecting investors’ rights, ensuring property security, and resolving interstate disputes (Bilateral Investment Treaties).

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<sup>1</sup> Subedi, S. P. (2024). International investment law: reconciling policy and principle. Bloomsbury Publishing.

International Investment Agreements (IIAs): These agreements regulate investments through treaties and protocols, ensuring investor safety and creating favorable conditions for interstate trade and investment exchanges. They allow disputes between investors and states to be resolved through international arbitration.

Table 1: Economic Principles Shaping International Investment Policy

Principle Name	Description	Application Areas
Investment Growth	Increasing foreign domestic investments	FDI and exports, industrial development
Risk Management	Safeguarding investment capital	Financial markets, investment projects
Liquidity Assurance	Managing short- and term funds	Bank loans, state budget
Income Maximization	Maximizing investor returns	Enterprise profitability, investment funds
Sustainable Growth	Long-term economic of the country	Industrial development, export policy

Legal Trends Legal mechanisms are as critical as economic factors in shaping investment policy. International investment agreements, BITs, and other legal documents provide reliable mechanisms for protecting investors’ rights,

ensuring property security, and resolving interstate disputes (Bilateral Investment Treaties).<sup>2</sup>

International Investment Agreements (IIAs): These agreements regulate investments through treaties and protocols, ensuring investor safety and creating favorable conditions for interstate trade and investment exchanges. They allow disputes between investors and states to be resolved through international arbitration. Legal Security and Dispute Resolution: A key aspect for investors is the mechanism for quickly and fairly resolving disputes arising during investment activities. The International Centre for Settlement of Investment Disputes (ICSID) actively participates in resolving such disputes (Nizodan saqlanish). Legal Security and Dispute Resolution: A key aspect for investors is the mechanism for quickly and fairly resolving disputes arising during investment activities. The International Centre for Settlement of Investment Disputes (ICSID) actively participates in resolving such disputes (Nizodan saqlanish).

National and International Legislation Interaction Investment policy is significant not only internationally but also within national legislation. Countries align their investment policies with international treaty requirements. For example, Uzbekistan's 2011 agreement with China demonstrates the interplay between national and international legal mechanisms for promoting and protecting investments (19.04.2011). Similarly, investment cooperation between Uzbekistan and the UAE illustrates the level of commercial exchange and economic integration (O'zbekiston va BAA).<sup>3</sup>

**Conclusion.** This study thoroughly analyzed the economic and legal principles of investment policy, the interplay between national and international legislation, and practical case studies. Key conclusions include:

1. International investment policy significantly contributes to economic growth, with reforms enhancing investor confidence and economic stability.

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<sup>2</sup> Sauvant, K. P. (2013). Yearbook on International Investment Law & Policy 2011-2012. OUP USA.

<sup>3</sup> Zhan, J. X. (2016). International investment rule-making: Trends, challenges and way forward. RETHINKING BILATERAL INVESTMENT TREATIES, 17.

2. Legal mechanisms, such as BITs and IIAs, are pivotal in protecting investor rights through fair and swift dispute resolution.
3. The interaction between national and international legislation improves the investment environment, requiring alignment with global standards.
4. Proper management of investment processes reduces risks and increases efficiency, with careful planning and execution positively impacting outcomes. Recommendations include updating investment policies, improving legal norms, aligning national legislation with international standards, managing investment processes comprehensively, and fostering international cooperation.

### **References**

1. Subedi, S. P. (2024). International investment law: reconciling policy and principle. Bloomsbury Publishing.
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