FOREIGN EXPERIENCES IN ATTRACTING FOREIGN DIRECT INVESTMENT

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In the current era of globalization, not every country can deny that the future development of its economy is involved in investments. In addition, the Republic of Uzbekistan pays great attention to investments to develop its economy, mainly to increase the amount of foreign direct investment. As everyone knows, not every country can rise without learning foreign experiences. Understanding and rational use of world experiences in attracting foreign direct investment is important for promotion and sustainable growth. Foreign direct investment is one of the main tools for economic growth, technological progress and increasing the amount of employment, but attracting foreign investment depends on infrastructure improvement, institutional capacity building, economic policy, and economic situation in the state. The wealth of our country in quality raw materials indicates the importance of attracting investments.

Also, the demand for investments abroad is currently high. It is necessary to develop foreign relations, strengthen existing ones and liberalize foreign economic activity, create legal and regulatory, social, and other various conditions that ensure the involvement of foreign direct investment in the economy of our state. As you know, in the area of the Republic of Uzbekistan, to increase the efficiency of activities to attract foreign direct investment, to inform foreign investors about the opportunities and potential of our country, to attract and master foreign investments, State and economic authorities, in order to improve the Coordination of the activities of local executive authorities, a resolution of the president of the Republic of Uzbekistan “on measures to further improve the mechanisms of attracting foreign direct investment to the economy of the Republic” dated April 29, 2019 PD-4300 was developed. In order to ensure the implementation of the decision, there are tax incentives for foreign investors, benefits on loan interest rates in order to increase the amount of foreign investment in the territory of Uzbekistan.

Without attracting foreign investments in leading sectors with high demand in the world market, it is impossible to carry out structural changes, to equip organizations with modern techniques and technologies, mining, and re-equipment. First of all, if we consider the definition of foreign investment: - “foreign investment is investments that are introduced from the territory of one country to the territory of the second country, exported[1]. In addition, V. A. =Vakhobov believes that " foreign direct investments are those that allow the investor to have effective control over their economic activities, allowing the investor to own a long-term, firm share of at least 10 percent or shareholder capital”[2]. In other words, foreign direct investment is to invest in an enterprise in the territory of a particular country for a long period of time and, as a result, to own at least 10 percent of the askance. Currently, the following factors determine the development and increase of foreign direct investment attraction in a situation based on foreign experiences:

- stability of the investment environment.
- positive changes in the exchange rate.
- improvement of the tax system, the presence of specific mechanisms in taxation.
- the development of decisions and laws governing the activities of foreign investment in tax legislation.

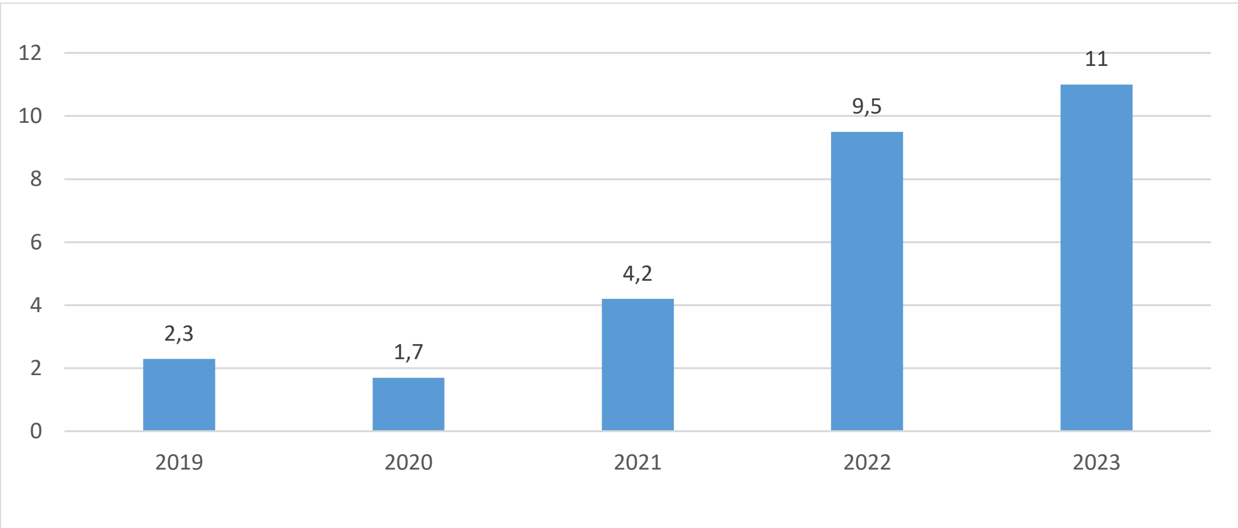

Figure 1. In 2019-2023, the flow of foreign direct investment into the economy of Uzbekistan amounted to billions of U.S. dollars.

Analyzing Figure 1 data, we can say that the flow of foreign direct investment involved in the economy of our state has grown over the years, in a way that does not consider the figure in 2020. The main reason for this decline is the Covid-19 pandemic, but in 2021 this figure increased by almost 2.5 times.

[1] Dictionary of International Trade. Global Marketing Strategies, 2015, page 82
[2] A. V. Vaxobov. Xorijiy investitsiyalar. – Toshkent: Moliya, 2010. – O‘quv qo‘llanma

The highest trend, however, was recorded in 2023, with an increase of nearly 6.5 times compared to the lowest. This is due to the favorable conditions created for foreign investors on the territory of our country, as a result of which the volume of foreign direct investment has increased.

In conclusion, there are various, strategies, approaches to attracting foreign direct investment to the country's economy, and the use of foreign experience in attracting foreign direct investment is an important direction to increase economic competitiveness and support sustainable development. Countries can develop well-founded policies and initiatives tailored to their specific conditions and thus increase economic growth and prosperity.

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