

WAYS OF INCREASING THE EFFICIENCY OF FOREIGN INVESTMENTS

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ABSTRACT

The article reveals that the economic efficiency of the investment can be divided into two groups and many factors affect them, the first group includes internal factors related to the enterprise, and the second group includes external factors unrelated to the enterprise.

KEYWORDS: Foreign And Domestic Investors, Foreign Loans. "Project Factory", "Driver", Assets, Investment Climate.

INTRODUCTION

The main principles of the state investment policy are the reduction of existing interest rates to the level of efficiency of investments in the real sector of the economy at the modern stage, the simplification of the existing tax system, the improvement of depreciation policy, the formation of organizational and legal conditions for the reduction of investment risks in order to stimulate direct investments of foreign and domestic investors, and the budget investment is to increase the efficiency of their use by placing their resources on a selective basis.

The economic efficiency of the investment can be divided into two groups, and many factors affect them. The first group - internal factors related to the enterprise, the second group - external factors not related to the enterprise.

The low economic efficiency of investments is significantly determined by the second group of factors. These are: crises, price disparities, high credit interest rates, interest rates on small business commodity producers.

The following are the factors that hinder the attraction of foreign investments :

Firstly , investors do not have sufficient guarantee of the return of their allocated funds;

Secondly, as a rule, the amount of investment required for the realization of investment projects significantly increases the amount of collateral provided by the initiator to secure the project;

Thirdly, the liquidity of the property provided as collateral is extremely low;

Fourthly, in the absence of a developed insurance market, the risk of agricultural production is high;

Fifthly , the lack of modern and effective financial management makes it difficult to monitor the implementation of investment projects.

Although researchers predict a sharp decrease in the flow of foreign investments for all countries during the pandemic, due to the investment projects planned in previous years and as a result of the government's support of economic entities and entrepreneurs implementing investment projects in our country, there is no sharp decrease in the volume of foreign investments. In particular, during 2020, the volume of foreign investments absorbed into the economy of Kashkadarya region within the framework of regional projects increased by 104.3% compared to 2019 and amounted to 151.7 million US dollars.

In accordance with the Decision of the President of the Republic of Uzbekistan dated December 28, 2020 "On measures to implement the investment program of the Republic of Uzbekistan for 2021-2023" No. PQ-4937, it is planned to absorb foreign investments in the amount of 467.7 million US dollars. In 2021, it is planned to attract and absorb foreign investments in the amount of 150.4 million US dollars at the expense of 22 territorial projects in the Kashkadarya region (3.7% of the total foreign investments planned to be absorbed in the Republic of Uzbekistan). It is noted that it is in place. In 2021, 141.4 million US dollars of the total attracted foreign investments will be accounted for by TTXI, while 9.0 million US dollars will be attracted foreign loans without government guarantee (Table 1). 14 of the projects implemented on the basis of foreign investments in 2021 are in the industry, 6 in agriculture, and 2 in the service sector.

TABLE 1 THE VOLUME OF TTXI AND FOREIGN LOANS EXPECTED TO BE ATTRACTED AND ABSORBED IN THE TERRITORY OF THE REPUBLIC OF UZBEKISTAN WITHIN THE FRAMEWORK OF TERRITORIAL PROJECTS IN 2021 (IN THE AMOUNT OF MILLION US DOLLARS)¹

No	Areas	Engagem ent plan	From this		Developme nt plan	Number of projects
			TTXI	Not guaranteed foreign loans		
1	Karakalpakstan Republic	91.0	70.2	20.8	91.0	21
2	Andijan	242.6	80.4	162.2	248.8	41
3	Bukhara	249.0	155.7	93.4	248.0	37
4	Jizzakh	323.1	299.2	23.9	299.1	19
5	Kashkadarya	150.4	141.4	9.0	150.4	22
6	Navoi	150.7	125.4	25.3	171.5	21
7	Namangan	261.8	261.8		287.2	58
8	Samarkand	158.4	114.7	43.7	162.9	47
9	Syr Darya	185.5	74.1	111.4	187.8	32
10	Surkhandarya	166.0	166.0		166.0	27
11	Tashkent v	275.0	255.2	19.8	296.0	105
12	Ferghana	316.5	222.5	94.0	336.8	53
13	Khorezm	122.6	70.5	52.1	122.6	18
14	Tashkent sh	1 186.1	1 032.0	154.1	1244.7	98
	TOTAL	3878.7	3069.1	809.7	4011.8	599

The results of the research on foreign investments show that there will be a fierce competition between countries to attract foreign investments in order to overcome the stagnation in economic

growth during the pandemic and its aftermath. Based on this, it is necessary to expand the base of raw materials and deepen its processing in Kashkadarya region, to increase the volume of production of competitive finished products with high added value, to attract foreign direct investments and high technologies to economic sectors, to ensure the socio-economic efficiency of investment projects. It creates great conditions for achieving the following opportunities and facilities for the purpose of creating high-income jobs and rapid socio-economic development of the regions.

First of all, the low level of entrepreneurial ability of local businessmen compared to other regions of the Republic of Uzbekistan and the lack of information on the potential of the region among foreign investors determines the urgency of organizing a "Project Factory" in Kashkadarya region, involving qualified specialists. In our study, the "driver" areas that ensure economic growth and attract foreign investments were identified in each district (city) of Kashkadarya region. It is desirable to organize the development of carefully economically based investment projects in the "Project Factory" in the "driver" sectors of Kashkadarya region and to offer local and foreign investors to implement these investment projects.

Secondly, the analysis of questionnaires conducted among foreign investors operating in Kashkadarya region shows that the main obstacles to foreign investments are high interest rates and poor functioning of the lending system. In order to eliminate this problem, it is necessary to establish a special investment fund with an authorized capital of not less than 10.0 million US dollars from the surplus part of the local budget in Kashkadarya region for quick financing of promising and relevant investment projects.

Thirdly, the difficulty and backwardness of connecting to the production infrastructure, the existence of bureaucratic obstacles in the allocation of buildings and land in Kashkadarya region as an obstacle to foreign investors have been determined through research.

Comprehensive development of the production and resource potential of the Kashkadarya region, creation of favorable conditions for attracting direct investments in the organization of high-tech and export-oriented production of mineral raw materials and agricultural resources in-depth processing, and on this basis, increasing the export potential of the region, new in order to create jobs and improve the well-being of the residents of the region. Based on the Decree of the President of the Republic of Uzbekistan dated September 13, 2019 No. PF-5825 "On the establishment of the Chiraqi free economic zone", although the territories of the "Chiraqi" free economic zone have been determined, there is a backlog in terms of connecting to infrastructure facilities and placing investment projects in this area. is being placed.

Currently, there are 10 small industrial zones in the cities of Karshi, Shahrisabz, Karshi, Mubarak, Kitab, Chirakchi, Qamashi districts of Kashkadarya region. according to the minutes of the meeting, the establishment of 11 new small industrial zones in Shahrisabz city, Nishon, Dehkanabad, Yakkabog, Guzor, Mirishkor, Shahrisabz, Mubarak districts of Kashqadayo region with a total area of 23.4 hectares, and competitive and attractive to small industrial zones, placement of attractive investment projects aimed at production of export-oriented and import-substituting products is defined. It is advisable to carry out wide-scale propaganda work on the conditions and privileges created for foreign and local investors in the Chirakchi free economic zone and newly established small industrial zones in Kashkadarya region, and to involve the embassies of the Republic of Uzbekistan in foreign countries in these works.

Fourthly, in the period before the independence of the Republic of Uzbekistan, industrial areas were established in all regions of Kashkadarya region, and these industrial areas were connected with all infrastructure facilities (gas, water, electricity), and great opportunities were created for local and foreign entrepreneurs.

According to our research, it has been determined that the potential of these industrial areas is being used inefficiently. In particular, There are 391 enterprises located in 3 former industrial areas with a total area of 785 hectares in the city of Karshi, including 369 hectares in the territory of "Shaikhali" MFY, 147 hectares in the territory of "G'. Gulom" MFY and 269 hectares in the territory of "Batosh" MFY. The facilities and facilities of 28 enterprises located on the area of 65.3 hectares (8.4 % of the total industrial areas) have been modernized and modern productions have been launched.

However, the existing capacity and buildings in the enterprises located on an area of about 42.8 hectares are outdated, and there are old and energy-efficient brick factories on 15 hectares, 255 hectares of 46 enterprises are vacant, and 319 enterprises located on an area of 407 hectares are less. are operating at capacity (Appendix 15).

Based on this, it is advisable to re-monitor industrial areas from all regions of Kashkadarya region, to organize "customer-oriented" work together with every enterprise and property owner, and to develop attractive investment projects for local and foreign investors, and effectively use these industrial areas.

Fifth, according to the information of the Kashkadarya regional office of the State Assets Management Agency, there are currently more than 1,800 vacant facilities in Kashkadarya region, and these facilities are not being used mainly due to the lack of working capital. In order to effectively use these facilities, it is advisable to develop attractive investment projects and choose potential foreign investors as partners for local entrepreneurs.

Sixth, in order to rapidly introduce consumer-oriented modern management methods, openness, transparency and market principles in state-owned enterprises, increase revenues by reducing costs, create wider opportunities for private capital participation in the process of reforms, reduce state participation in the economy and further improve the competitive environment. Based on the Decree No. PF-6096 of October 27, 2020 "On measures to accelerate the reform of state-owned enterprises and privatization of state assets", it is planned to sell the state share of 56 enterprises in Kashkadarya region to private investors through public auctions.

In our opinion, among the enterprises that are planned to be privatized, JSC "Shakhrisabz vino-vodka", "Yakkabog wine canning" LLC, "Muborakteks" LLC, "Kashkadarya drilling works" JSC, "Tower construction expedition" JSC, "Muborakneftegazmontaj" JSC, "Koson special mechanized " It is possible to achieve positive economic growth in Kashkadarya region by attracting foreign investors together with local investors to the process of selling state shares in a number of potential enterprises such as LLC, through technical and technological modernization of enterprises, increasing competitive product types, creating new jobs. .

Seventh, as a result of the practical reforms carried out to improve the investment climate in our country, there is a high interest of investors, especially potential entrepreneurs living abroad and ethnic Uzbeks, in doing business in our country. Based on this, it is appropriate to involve our compatriots in the implementation of promising investment projects with the support of the embassies of Uzbekistan abroad.

Also, in our opinion, when increasing the efficiency of foreign investments in the development of regions, it is necessary to take into account its positive impact on economic growth, not the size of investment projects, to pay more attention to the quality of investments, not to the number of projects, in particular, to foreign-invested companies with high scientific capacity, which are environmentally safe. the issue of project support should be the main direction of the region's investment policy.

In the regionsIn order to improve the effectiveness of foreign investments, the following should be paid attention to in the state support:

- activation of lending activity, which in turn alleviates the lack of financial resources;
- Makes it possible to make loan payments on the basis of a fixed schedule and on the basis of simplified contracts and schemes;
- Brings together the mutual interests of credit organizations and enterprises and ultimately creates optimal economic and legal conditions for reducing risk and increasing economic efficiency in their enterprises ;
- Development of preferential lending system for enterprises;
- Provision of budget loans, investment tax credits;
- Reduction of interest rates on loans;introduction of preferential tax payments.

As a result of the implementation of these proposals, the following will be provided:attractiveness of attracting foreign investments to enterprises increases; investment activity in enterprises will increase;the volume of production of competitive and high-quality products will increase in the composition of the total manufactured product;innovative activity in enterprises increases;the production process in enterprises is stabilized, etc.

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