



## THE ROLE OF INVESTMENT IN THE DEVELOPMENT OF INTERNATIONAL COOPERATION IN NEW UZBEKISTAN

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**Annotation:** The article examines the processes involved in attracting foreign investment to the national economy and improving ways to use them effectively. The impact of factors influencing the process of attracting and effective use of foreign investment on the efficiency of investment activity in the country was assessed. The existing shortcomings in the field of attracting and effective use of foreign investment have been identified. Scientific proposals and practical recommendations for improving the system of attracting foreign investment in the national economy have been formed.

**Keywords:** Investment activity, investment potential, investment attractiveness, international trade, trade balance, economic growth.

Accelerated development of the Uzbek economy and the introduction of innovations in production, as well as macroeconomic stability in the economy and Investment, including foreign investment, plays an invaluable role in ensuring high rates of economic growth. Increased attention to investment to date has led to the development of investment activity in our country.

It should be noted that a broad and comprehensive analysis of the concrete achievements and successes in this area, important practical conclusions on this basis, among the most pressing issues for further attention in determining the priorities and development programs of our country, of course, focuses on foreign investment.

In his Address to the Oliy Majlis, President of the Republic of Uzbekistan Sh.M. Mirziyoyev said: "World experience shows that a country that pursues an active investment policy has achieved sustainable growth of its economy. That is why investment is the driver of the economy, in Uzbek, the heart of the economy. We will achieve rapid development of our economy only by actively attracting investment and launching new production facilities. Positive results in the economy provide an opportunity to systematically address the problems that have accumulated in the social sphere. We all need to understand this deeply and organize our work on this basis. In order to attract foreign investment, we must take measures to fully demonstrate the investment potential of our country, which is one of the most pressing issues in our daily lives," he said. [1]

A number of measures aimed at increasing the investment attractiveness of the economy, improving the system of effective use of existing investment potential are specified in the Resolution of the President of the Republic of Uzbekistan dated April 29, 2019 No PP-4300 In this regard, priority is given to improving the efficiency of attracting foreign direct investment in the economy of the republic, informing foreign investors about the opportunities and potential of our country [3].

Based on the above, it is important to conduct research aimed at ensuring the compatibility of state and market mechanisms in attracting foreign investment to the national economy and the formation of ways to use them effectively, investment potential, investment risk level, priority in attracting regional competitive advantages.

The demand for investment in the economy, the lack of funds for investment requires the efficient use of investment resources, because more profit can be made as a result of the efficient use of invested capital. A necessary component in the management and evaluation of investment projects is the financial and economic analysis of the country proposing the project. In order to develop the investment activities of the national economy and improve their financing, it is necessary to pay special attention to the study of the financing experience of developed countries and the use of positive achievements in their practice. Based on the above, in order to increase the efficiency of investment in the economy of the country, financial issues related to the investment climate and problems in financing investment activities are being addressed in a systematic manner.

The long-term viability of the investment strategy depends on the generality of investment resources, the methods, means and forces of influence used by public authorities to place investments within the sector and the enterprise. The structural direction of the process includes the following elements:

- compliance of investment strategy with tactical and strategic management criteria;
- the interrelationship between the various elements of investment activity management factors to achieve the goal;
- management resources, material, technical, financial, social, institutional and other resources used in the chosen management style and achieved.

A well-thought-out investment policy plays an important role in ensuring the rapid pace of economic development and maintaining macroeconomic stability in the country. Indeed, investments as an important factor in the development of the economy provide incentives for modernization of production, technical and technological innovations and innovations, the creation of new jobs and increase the income of enterprises. The importance of the issue can be seen in the fact that over the years, an investment policy has been pursued aimed at steadily increasing investment flows.

Indeed, in recent years the scale of measures aimed at increasing the volume of investment has increased significantly, both legally and practically. In particular, as a result of the active investment policy in the country there is a positive growth in the dynamics of investment flows (Figure 1).

Fig 1.

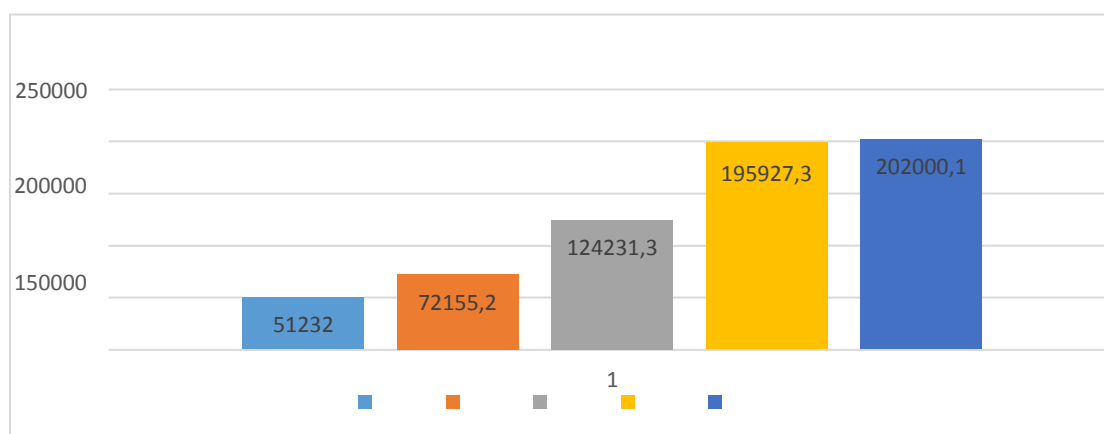


Figure 1. Volume of fixed capital investments in the Republic of Uzbekistan in 2016-2020, billion soums [15]

The data show that the volume of disbursed investments is growing rapidly. Even in the context of the global economic downturn and crisis caused by the coronavirus pandemic in 2020, it can be seen that the volume of investments in our country has increased by 4 times compared to 2016.

The fact that the growth rate of investment in 2020 alone reached 3% is directly related to the pandemic conditions. However, growth in 2019 is 57.7 percent, the highest in five years. It is noteworthy that the rapid growth of investment is a practical result of a long-term and well-thought-out investment policy in the country.

In Uzbekistan, too, based on economic strategic goals, investment projects are being managed and developed. In 2020, 202.0 trillion soums will be allocated from the total sources of funding for the development of economic and social spheres in the Republic of Uzbekistan. The appropriation of the sum is the basis of our opinion in this regard.

In 2020, there was a decline in investment activity, compared to 2019, the volume of investments in fixed assets amounted to 91.8%. In 2020, 202.0 trillion. UZS were invested in fixed assets. 39310.2 billion soums were allocated from centralized financing sources. soums or 19.5% of the total investment and 8.0% less than in 2019. Correspondingly, at the expense of decentralized sources of financing 162689.9 bln. soums or 80.5% of the total volume.

In 2020, enterprises and organizations will receive 51911.3 billion soums from their own funds. UZS were invested in fixed assets, which accounted for 25.7% of total investments. At the expense of the population 18077.8 bln. soums or 8.9 percent. At the expense of foreign direct investment 28740.5 bln. soums, a decrease of 5.3% compared to 2019, accounting for 14.2% of total investments [17].

In 2021, a total of more than \$ 10 billion, including \$ 8 billion 100 million in foreign direct investment, has been disbursed. As a result, 318 large and more than 15,000 regional projects have been implemented and more than 273,000 jobs have been created. The new enterprises have the potential to replace a total of more than \$ 1 billion in exports and \$ 530 million in imports. Of course, the coronavirus pandemic is still having a serious impact on economic processes. Nevertheless, there has been a steady increase in exports. In particular, in 2020, the country's exports exceeded \$ 9 billion, and in 2021 - \$ 12 billion.

It is noteworthy that the share of finished and semi-finished products has increased significantly [18].

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