

Development of the Investment Environment in Uzbekistan and Improvement of Conditions for Investors

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Abstract: The article deals with the creation of external infrastructure for investment projects of foreign and domestic investors, the resumption of existing projects, giving preferences to local private investors, mechanisms for delaying the payment of taxes by investors, as well as attracting foreign investments and investors. existing problems and what measures should be used to activate their prevention are widely covered.

Key words: Investment, foreign investor, domestic investor, foreign infrastructure, preference. The term "investment" comes from the Latin word "invest" which means "put", "mobilize funds", "capital investment".



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In a broad sense, investment refers to the mobilization of capital for the purpose of increasing and retrieving funds. In most cases, the concept of "investment" is defined in the form of material and immaterial goods and rights related to economic and other objects of activity. Investment means all kinds of national and intellectual wealth, which must be directed to the objects of business activity and bring income or achieve some positive effect.

The main purpose of making an investment is to make a profit and achieve a positive social effect. When making an investment, first of all:

- Ensuring the independence and initiative of investment activity subjects;
- Granting investment status to the imported material goods (items purchased by citizens to satisfy their needs cannot be investments);
- It is considered necessary to create an opportunity to carry out investment activities defined by law.

It is appropriate to define the concept of investment as the cost spent on building new capital. Investments are expenses for the construction of new enterprises, the purchase of machines and equipment, that is, the creation of new capital. In order to fully reveal the content of the concept of investment, it is permissible to quote the tariffs given to it. Investments are capital invested in means of production that have not yet been transformed into products. According to its financial form, they are considered assets invested in economic activity for the purpose of making a profit,

and according to its economic nature, it is used for building new enterprises, long-term service vehicles and is the cost of equipment and related changes in working capital. Investments can be made by the private sector and the state in various productions and securities (for example: shares) inside and outside the country. The amount of investment costs depends on two factors: the first is the expected rate of net profit, which aims to get it from the investment costs of entrepreneurs; the second is the interest rate.

If the expected rate of return is higher than the interest rate, then the investment is profitable, and conversely, if the interest rate is higher than the expected rate of return, the investment becomes unprofitable. The investment demand curve establishes the relationship between the amount of desired investment and the amount of the real interest rate. The higher the real interest rate, i.e. the cost of borrowing money capital, the less people want to invest, and conversely, the lower the real interest rate, the more profitable the more investment projects there will be.

Currently, attracting local and foreign investors to investment projects in the territory of the country is seen as a strict requirement, and based on these actions, we can mention the increasing number of investors. Local investors are citizens of the Republic of Uzbekistan carrying out investment activities, foreign citizens with the status of residents of the Republic of Uzbekistan and stateless persons, including individual entrepreneurs, as well as legal entities of the Republic of Uzbekistan; Foreign investors mean foreign countries, administrative or territorial bodies of foreign countries, international organizations established in accordance with agreements or other agreements between countries or international public law subjects, legal entities established and operating in accordance with the laws of foreign countries, any other companies. , organizations or associations, citizens of foreign countries and stateless persons permanently living outside the Republic of Uzbekistan. Since the first years of independence, the investment policy implemented in Uzbekistan has focused on ensuring the independence of fuel, energy and grain, implementing structural changes in the economy and supporting priority sectors to increase the production of import-substituting products, conducting an open-door policy to attract foreign investments.

The investment policy is based on the following principles:

- Selective support of the most important sectors and areas of activity based on the established state priorities;
- Adequate support for socially important sectors (health, education, culture, etc.) in order to improve the standard of living of the population, prolong life, prevent sharp social stratification, and ensure the activation of consumer demand;
- Attracting foreign investments to priority areas based on mutual interest;
- Redistribution of potential investment resources from trade and money market to industry;
- Increasing intellectual capital and scientific-technical potential due to the concentration of production capital by supporting research and development, purchasing licenses for new techniques from abroad, creating large corporations capable of maintaining large laboratories;
- Support of investment projects aimed at deep processing of agricultural products and mineral resources and bringing them to the level of competitiveness in the foreign market;
- Ensuring with investments the rapid development of production capacities designed to meet the needs of the population for food and consumer goods;
- Improvement of the legal framework that regulates the interaction of investment process participants;

Based on the above principles, the directions defined in the field of structural reconstruction of the national economy, expansion of export opportunities will be realized only with strong investment.

In order to increase the effectiveness of the reforms carried out in the decree "On the strategy of actions for the further development of the Republic of Uzbekistan" adopted by the President of the Republic of Uzbekistan Shavkat Mirziyoyev, to create conditions for the comprehensive and rapid development of the state and society, to modernize our country and to liberalize all spheres of life. in order to implement the priorities of the five priorities for the development of the Republic of Uzbekistan in 2017-2021 Action strategy was approved.

The main type of economic development and liberalization in this action strategy is improvement of the investment environment, active attraction of foreign, first of all direct foreign investments, to the branches and regions of the country's economy. Attracting foreign investments to the economy of our country, accelerating the expansion of all its opportunities, acquiring domestic capabilities and technology in all areas, assimilation of exportable goods, and ensuring their production is of great importance in ensuring the economic power of our country. In recent years, in order to facilitate and encourage the implementation of entrepreneurial activities in Uzbekistan, as a result of the critical revision of a number of promotions related to the sector, wide opportunities have been created for business entities and private investors in the republic.

The provision of external engineering and communication infrastructure for projects involving direct investment by foreign and local investors in the republic is covered by the state budget, which makes it easier for investors and causes direct attraction of investors. In the decision of the President of the Republic of Uzbekistan "On measures to provide investment projects with external infrastructure" about 90% of reconstruction or repair works of highways, drinking water and sewage networks entering the territory of Uzbekistan for investments by foreign investors - Republic of Uzbekistan funds of the social and production infrastructure development program, 10% of the local budget of the Republic of Karakalpakstan, regions and the city of Tashkent additional resources, construction and repair of electricity and gas networks - budget loan funds allocated to supplier enterprises at the rate of 5% with the condition of repayment within three years from the funds of the republican budget, construction and reconstruction of communication networks - supplier the determination of the funds of enterprises and entrepreneurs makes investors somewhat comfortable.

During the open dialogue of the President of the Republic of Uzbekistan with entrepreneurs, held on August 20, 2021, to directly study the problems and proposals of entrepreneurs and to determine the main directions of future development of entrepreneurship, starting from January 1, 2022, business entities will be allowed to land plots with a total area of more than 1000 square meters and when acquiring property rights in relation to building structures it was allowed to postpone the payment of property tax and land tax for a period of 6 months. Not only land tax, but also opportunities such as exemption from customs duties are a privilege for foreign investors to invest in our country. Currently, the preferences given only to foreign investors are now also offered to domestic private investors.

If they start a project worth 25 million dollars from their own account, it is stated that external engineering communication networks will be provided at the expense of the budget. According to the information of the Ministry of Investments and Foreign Trade, at the same time, the following benefits and preferences are given to foreign investors: benefits on taxable income, VAT, property taxes of legal entities and customs duties are available. At the same time, foreign investors pay attention to the costs of doing business.

In recent years, a lot of work has been done to reduce these costs: the foreign exchange market has been liberalized, administrative barriers to issuing cash have been removed, banking and foreign economic activities are being liberalized, administrative barriers to business development are being eliminated, and tax reform is being implemented. . Investors are interested in how well their property rights are protected. An investor invests his money, labor, experience and innovative developments in the business. In this case, he takes a lot of risks. A business can become

unprofitable for a variety of reasons: demand is not as great as expected, strong competitors in the market, or new products that displace the investor's product. Such commercial risks are natural in the market economy. They must be managed by the entrepreneur himself, for example, through marketing programs or diversification of production. However, in addition to risks arising from the effects of natural market mechanisms, there is another group of risks associated with the violation of property rights.

Businessmen have very low and limited opportunities to reduce them. Therefore, protection of property rights is one of the most important obligations of the state. Only the state has a set of weapons to fully fulfill this function: legislation, law enforcement agencies, judicial system, etc.

As long as we want to establish an effective economy, the following suggestions should be taken into account:

- to identify the areas and objects of interest to foreign investors and to form a set of information about them, business plans and attracting foreign capital to the areas that are economically beneficial to them;
- to increase the weight of processed, ready-made products in export and to create conditions for investors in this direction;
- stable, transparent legislation that does not negate one another;
- an effective and independent judicial system focused on ensuring the implementation of laws and protecting the rights of economic subjects;
- equal and fair conditions for doing business;
- deferred payment or exemption of customs duties and land and property taxes to create local investors;
- it is necessary to create favorable conditions for foreign investors to accumulate many investments in regions with excess labor force.
- it is necessary to create a convenient infrastructure for investors, create opportunities for their business activities.

In short, investment activity is a set of earning, increasing or placing available capital by investment subjects such as any natural and legal persons, as well as foreign investors. The fact that the activities of local and foreign investors are built on the basis of free, pure and strong legislation and their rights are protected on the basis of normative legal documents, the currently granted privileges are clearly manifested in the attraction of investors to the territory of Uzbekistan and the protection of their legal interests.

Summary:

Investment activity is an important factor in developing the economy of the country, and it is necessary to create favorable conditions for local and foreign investors. Also, the rights of investors, the state's role in protecting property rights and economic interests is great.

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