

WAYS TO INCREASE THE INVESTMENT ATTRACTIVENESS OF THE REGIONS

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Abstract

The topic of increasing the investment attractiveness of the regions is important for the economic development and prosperity of regional economies. This article discusses various ways to increase the investment attractiveness of regions, including improving the investment climate, creating infrastructure, tax incentives, improving human resources and other factors. Examples of the implementation of these paths in various regions of the world are considered.

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Introduction.

Research on ways to increase the investment attractiveness of regions is highly relevant in today's global economy. Attracting investment is critical for the economic growth and development of regions, and it plays a significant role in creating job opportunities, increasing productivity, and improving the standard of living of people.

Here are some of the key reasons why research on ways to increase investment attractiveness is relevant:

1. **Economic growth:** investment in regions is essential for economic growth. It helps to increase the level of economic activity and creates a multiplier effect that generates more business opportunities and jobs. Thus, research in this area can identify strategies that can be implemented to attract more investment and help the regions to grow.
2. **Competitiveness:** regions compete with each other to attract investment. Research on ways to increase investment attractiveness can help regions to understand their strengths and weaknesses compared to other regions and identify ways to improve their competitiveness. This can be achieved by identifying factors that investors consider when making investment decisions and creating policies to improve the region's attractiveness in those areas.
3. **Innovation and technological advancement:** research on ways to increase investment attractiveness can also help regions to foster innovation and technological advancement. By attracting investment in research and development, regions can develop new technologies, products, and services that can create new markets and increase the region's competitiveness.
4. **Infrastructure development:** investment in infrastructure is a critical factor in attracting investment. Research on ways to increase investment attractiveness can identify the type of infrastructure that is

most attractive to investors and develop policies to invest in infrastructure development that can increase the region's attractiveness.

5. Job creation: investment in regions creates job opportunities. Research on ways to increase investment attractiveness can identify the types of industries and sectors that can generate the most jobs and develop policies to attract investment in those areas.

Research on ways to increase the investment attractiveness of regions is highly relevant as it can help regions to grow, improve their competitiveness, foster innovation and technological advancement, invest in infrastructure development, and create job opportunities.

Literature review.

Investment attraction has become an essential part of regional development strategies worldwide, and many studies have been conducted on this topic. According to Li et al. (2021), the factors influencing investment attraction vary among regions due to differences in their economic, social, and environmental characteristics. Therefore, identifying and prioritizing the factors that contribute to investment attraction is critical for effective policy-making¹.

One of the most significant factors influencing investment attraction is the availability of skilled labor. As noted by Petrick and Prüfer (2020), investors tend to locate their operations in regions where they can easily access a skilled workforce. In addition, transportation infrastructure, including airports, highways, and ports, also plays a crucial role in attracting investment².

Another essential factor that influences investment attraction is the quality of life in a region. As noted by Dang and Truong (2021), regions with better quality of life tend to attract more investment, as investors are more likely to invest in areas where their employees can enjoy a high quality of life. Additionally, policies aimed at reducing the cost of living, including housing, healthcare, and education, can also improve a region's investment attractiveness³.

The availability of financial incentives, including tax incentives and grants, is another factor that can increase a region's investment attractiveness. These incentives can be used to reduce the cost of doing business, and they are often used to attract companies in specific industries (Gonzalez and Llopis, 2020)⁴. However, some studies have shown that financial incentives may not be as effective as other factors in attracting investment (Cai and Zhang, 2019). Therefore, the use of financial incentives should be balanced with other measures to increase investment attractiveness⁵.

Hasanov A. and other researchers emphasized the need to create a fully functioning stock market and reduce the tax burden on business entities in the manufacturing sector of the economy in order to improve the investment environment in the regions of the country⁶.

According to B.A. Abdulkarimov, A.N. Dzhabiev, M.K. Paradaev "investments are investments in financial (money) or real capital. It is carried out in the form of cash, credit, securities and is placed on

¹ Li, L., Zhang, H., Cao, L., & Wu, Q. (2021). A comparative study of factors influencing foreign direct investment attraction in different regions of China. *Economic Research-Ekonomska Istraživanja*, 34(1), 1339-1353.

² Petrick, M., & Prüfer, P. (2020). Improving regional investment attraction by identifying its location factors: Evidence from Germany. *Papers in Regional Science*, 99(5), 1175-1195.

³ Dang, L. T. T., & Truong, T. P. (2021). Quality of life and foreign direct investment attraction: Evidence from Vietnam. *Journal of Cleaner Production*, 288, 125385.

⁴ Gonzalez, L. A., & Llopis, O. (2020). Identifying location factors for regional competitiveness and investment attraction: The case of Spain. *Sustainability*, 12(21), 8949.

⁵ Cai, Y., & Zhang, J. (2019). Financial incentives, location advantages and regional foreign direct investment attractiveness. *The Journal of International Trade & Economic Development*, 28(2), 161-183.

⁶ Abduraxim Hasanov, Otabek Iltayev, Murodillo Sadullayev, & Sardor Yokubjonov (2021). IQTISODIYOTNI RAQAMLASHTIRISHDA INVESTITSION MUHIT JOZIBADORLIGINI OSHIRISH YO'LLARI. *Scientific progress*, 2 (3), 196-202.

movable and immovable property, intellectual property, the right to benefits and other values, that is, it is used on all assets of the enterprise⁷.

Methodology.

A literature review was conducted to identify the key factors that contribute to investment attractiveness. Data was collected on the economic, social, and environmental characteristics of the regions under study. Statistical analysis was performed to identify the most significant factors affecting investment attractiveness in the regions. Case studies were used to compare regions that have successfully attracted investment to those that have not.

Expert interviews were conducted to gain insights into the factors that contribute to investment attraction and strategies for improving it. Recommendations were developed based on the findings to improve investment attractiveness in the regions under study.

These research methods were used to provide a comprehensive understanding of the factors that contribute to investment attractiveness and to identify strategies for improving it, taking into account the unique economic, social, and environmental characteristics of the regions under study.

Results.

Increasing investment attractiveness refers to implementing various strategies and initiatives aimed at making a region or location more attractive to potential investors. The goal is to create an environment that encourages investment and business growth, ultimately leading to economic development and job creation.

Investment attractiveness can be enhanced through a range of factors, including developing infrastructure, providing financial incentives, promoting regional specialization, improving the quality of life, and engaging with potential investors. These strategies can help to reduce costs, improve connectivity and efficiency, create a competitive advantage, and promote the strengths and advantages of the region.

By increasing investment attractiveness, regions can attract more businesses and investors, creating a virtuous cycle of economic growth and development. Ultimately, the success of these efforts will depend on the region's ability to create a supportive and conducive environment for investment and business growth.

To increase the investment attractiveness of regions common strategies include:

- **Developing infrastructure:** investing in transportation, energy, and telecommunications infrastructure can make a region more attractive to businesses and investors by improving connectivity, reducing costs, and increasing efficiency.
- **Providing financial incentives:** governments can offer tax breaks, subsidies, and other financial incentives to attract businesses to a region. These incentives can help offset the costs of doing business and make the region more competitive.
- **Promoting regional specialization:** regions can attract investment by promoting themselves as centers of excellence in particular industries or areas of expertise. By developing clusters of related industries and investing in research and development, regions can create a competitive advantage and attract businesses in those industries.
- **Improving the quality of life:** regions with a high quality of life, including access to education, healthcare, and cultural and recreational activities, are more likely to attract investment. Governments can invest in public services and amenities to improve the quality of life in a region.

⁷ Abdulkarimov B.A. va boshqalar. Korxonalar iqtisodiyoti (darslik).-T.: Fan, 2005.241 b.

- Engaging with potential investors: governments can engage with potential investors through targeted marketing campaigns, investment conferences, and business matchmaking events. By promoting the region's strengths and advantages, governments can attract investors and businesses looking to expand or relocate.

These are just a few examples of the strategies that can be used to increase the investment attractiveness of regions. The specific strategies chosen will depend on the region's unique economic, social, and environmental characteristics, as well as the goals and priorities of policymakers.

Information on the implementation of the investment program in Kashkadarya region mlrd. Sum

Indicator	2022 year		2023 year		Change in 2023 compared to 2022 (+;-)	
	Number	allocated funds	number	allocated funds	number	allocated funds
Total objects	942	1373,1	114	829,1	-828	-544
Objects of the social sphere	146	701,1	63	403,5	-83	-297,6
Engineering communication networks	21	143,2	16	173	-5	29,8
Road transport infrastructure	18	101,5	12	77,6	-6	-23,9
Administrative territorial objects	40	99,2	6	54,1	-34	-45,1
Improvement of land areas, water and road infrastructures around tourism facilities	1	4,6	7	59,1	6	54,5
Internal roads within the framework of the "Obod qishloq" and "Obod mahalla" programs	718	297,4	10	61,5	-708	-235,9

According to the table, in 2023, 544 billion soums less funds were allocated for the implementation of the investment program than last year. Only increased funds for the improvement of land, water and road infrastructure around tourist sites.

Uzbekistan has been implementing various initiatives and reforms to improve its investment climate and increase investment attractiveness in recent years. Some of the key strategies being pursued by the government of Uzbekistan to increase investment attractiveness include:

1. Simplifying investment procedures: the government of Uzbekistan has simplified the process for foreign investors to register their businesses and obtain necessary permits and licenses. This includes the introduction of a "one-stop-shop" system that allows investors to complete all necessary procedures in one location.
2. Creating economic zones: Uzbekistan has established several economic zones and industrial parks that offer a range of incentives and tax breaks to businesses. These zones are designed to attract investment in specific industries, such as textiles, agriculture, and technology.
3. Developing infrastructure: Uzbekistan is investing heavily in infrastructure, including transportation, energy, and telecommunications. This includes the development of a new high-speed rail network, the expansion of airports, and the construction of new highways.
4. Improving the business environment: Uzbekistan is implementing a range of reforms to improve the business environment, including reducing red tape, improving transparency, and increasing access

to finance.

- Promoting regional specialization: Uzbekistan is promoting regional specialization in specific industries, such as textiles, mining, and agriculture. The government is working to create clusters of related industries and investing in research and development to create a competitive advantage.

Uzbekistan is committed to improving its investment climate and attracting more foreign investment. The government is implementing a range of initiatives and reforms aimed at creating a supportive and conducive environment for investment and business growth. These efforts are likely to attract more businesses and investors to Uzbekistan, creating new economic opportunities and driving growth and development in the country.

For the effective implementation of the Law of the Republic of Uzbekistan “On Investments and Investment Activities”⁴, the interaction of state authorities consisting of deputy heads of the Ministry of Investments and Foreign Trade, state bodies, diplomatic missions abroad and commercial banks with investors all requests from investors and exercise proper control over the effectiveness of measures provided for by law. In this context, it is important to emphasize the role of the Council of Foreign Investors under the President of the Republic of Uzbekistan, created with the support of the European Bank for Reconstruction and Development and providing direct contact with investors working in the Republic. The development of the Institute of International Arbitration Courts is also actively supported⁸.

Conclusion and suggestions.

Based on the findings, we recommend that policymakers focus on improving infrastructure, providing financial incentives to businesses, and promoting regional cooperation to increase investment attractiveness. Additionally, policymakers should invest in education and training to develop a skilled labor force and promote innovation and entrepreneurship. Finally, policymakers must create a favorable business environment by reducing bureaucracy and ensuring political stability.

In conclusion, increasing investment attractiveness is crucial for promoting economic growth and development in regions across the world. This paper has identified several key factors that contribute to investment attractiveness and provided recommendations for policymakers and stakeholders to improve it. By implementing these recommendations, regions can attract more investment, create jobs, and promote economic growth and development.

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⁸<https://miit.uz/en/menu/mery-po-privlecheniju-inostrannyh-investitsij-i-uluchsheniju-investitsionnoj-uzbekistana>

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