

EXPERIENCE OF FOREIGN COUNTRIES IN INCREASING THE INVESTMENT ATTRACTIVENESS OF THE REGIONS

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Abstract

This article highlights innovative methods of increasing the investment attractiveness of regions.

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Introduction. Today, in world practice, the investment attractiveness of countries is determined by the investment potential and investment risk, which is characterized by a combination of a number of important factors. The main condition for ensuring stable and high rates of economic growth is the acceleration of investment activity, the regulation of the main reforms of the state in order to ensure the effectiveness of these processes.

Improving the investment climate, actively attracting foreign, primarily foreign direct investment in industries and regions of the country's economy, is indicated in the Development Strategy of the new Uzbekistan for 2022-2026.

The purpose of this study is to study the advanced methods of foreign countries to increase the attractiveness of the investment climate in the regions of Uzbekistan.

Research Methodology. In the study, methods of induction and deduction, systemic and comparative analysis, forecasting, graphic representation, statistical and mathematical analysis were used.

Analysis and results. The development of the investment potential of individual states and the country as a whole has always been defined as one of the key activities of authorities at all levels. The high level of competitiveness of the US economy has been achieved largely because stimulating investment in research and development of new technologies is one of the key functions of government at all levels. At the same time, the state assumes about half of R&D spending and finances more than half of all fundamental research. The rest of the funds are provided by private corporations, universities and

foreign investors, whose contribution is also significant.¹

The entire set of methods used in the United States at different levels of government to develop the investment potential of their regions can be divided into three groups (Figure 1):

- 1) direct financial incentives, which includes the provision of grants, loans and credits by state governments; research and development funding;
- 2) indirect financial incentives consisting of tax incentives and preferences; discounts and investment tax credits, etc.;
- 3) Non-financial incentives: infrastructure development; transparent information policy, etc.

In practice, a combination of certain methods is used, the nature and proportion of which depend on local specifics. State bodies form differentiated conditions for different investors depending on the significance of the proposed investment projects. As a rule, investment projects related to the development of priority sectors of the economy for the state have a more favorable investment regime than others implemented in sectors not included in this category. Priority industries include both the most competitive and those whose development can bring the greatest effect².

Development methods		
<p>immediate innovations grants</p>	<p>indirect discounts privileges</p>	<p>non-financial transparency infrastructure</p>

Figure 1. Methods used in the United States to develop investment potential in the regions.

For the development of the region's economy, special preferences are also given to projects that involve attracting investments in the creation and development of enterprises whose activities are export or import-substituting.

The most important levers of influence on the investment activity of business structures include: development of industrial, social and technical infrastructure at the expense of state bodies; creation of specially equipped industrial parks, technopolises, technology parks, etc. Particular importance is attached to attracting foreign investors to the country. Currently, local governments offer more than 6,000 economic development programs, providing a wide range of incentives for foreign investors. These benefits are provided within the framework of specially created "entrepreneurial zones", of which there are already about 1300³

In the United States, the mechanism of public-private partnership has been largely developed, the positive effect of which is manifested through the pooling of financial resources of the state and private investors and their direction for the development of the innovative component of the territories. A well-coordinated policy at all levels of government contributes to the creation of a favorable investment

¹Smitiyenko, B. M. Mirovaya ekonomika. Moskva: Yurayt. Vissheye obrazovaniye. 2009

²<http://russian.doingbusiness.org/data/exploreconomy/es/russia>

³Titov, D. How to create a favorable investment climate in the regions. Economics and Life// 2010, No. 34

climate in the United States.

For China, foreign capital plays an important role in the development of the national economy, as foreign companies import new technologies into the country. Therefore, a whole range of state support measures is aimed at stimulating the attraction of foreign capital.⁴ There are other objective factors facilitating the inflow of foreign capital into China. Among them, it is worth highlighting: a large capacity of the domestic market; huge resources; low labor costs; favorable exchange rate; favorable tariff rates; political stability. Benefits provided to joint ventures typically include: exemption from income tax for 5 years after the commencement of operations; the right to duty-free import of raw materials and means of production; the right to free export abroad of profits, interest and dividends. Foreign capital flows are concentrated mainly: in the processing and assembly of industrial products; in capital-intensive industries; in high technologies; in trade; in services and infrastructure.

The Chinese government has also invested in so-called "export networks". These were priority sectors of the economy (in particular, light industry and electronics), which received subsidies for the modernization of factories and the purchase of raw materials. The goal of the program is to improve the quality and quantity of Chinese exports. In the "networks" companies, more than 25% of which were controlled by foreigners, received special benefits and access to loans from the Central Bank of China. Now such companies produce more than 80% of Chinese export goods.

In developed countries, cluster strategies have been actively used for many years to increase the investment attractiveness of territories.

Development of cluster strategies for increasing regional and sectoral competitiveness. The concept of "cluster" was introduced into the economic literature by a professor at Harvard Business School, a recognized expert in the study of economic competition, Michael Porter. In his opinion, a cluster is a group of interconnected companies concentrated on a geographical basis, specializing in suppliers, service providers, firms in their respective industries, as well as organizations associated with their activities (for example, universities, standards agencies and trading companies, associations) in certain areas that compete, but at the same time work together⁵.

And if at the end of the twentieth century. industrial clusters were introduced, the so-called innovation clusters actively developed. In fact, within the framework of such a cluster, a complete technological chain is created and built - from the development of an innovative product to its introduction into production and sale. Thus, clusters are formed where a breakthrough is expected in the field of technologies and technologies that contribute to its implementation.

An important role in the implementation of state support for the development of clusters in Europe is played by the formation of a special infrastructure: the creation of grant-forming funds, special economic zones, technology parks, business incubators, which are actually catalysts for the development of clusters. It should be noted that clusters can be formed both "from above" - at the initiative of state authorities, and "from below" - at the initiative of regional authorities.

One of the most successful cluster models among all European states is the structure created in France. Cluster policy in this country is implemented in the form of the formation of the so-called competitiveness poles, designed to unite business, the scientific community and educational institutions. An important role in this process is played by close cooperation with regional authorities. French "poles of competitiveness" are divided into "regional", "European" and "international". And the number of internationals is constantly increasing.

An important feature of the development of cluster models in foreign countries is that within the

⁴Власкин, Г. А., Ленчук, Б. Кластерный подход в стратегии инновационного развития зарубежных стран.// Проблемы прогнозирования.2010 №5

⁵Porter, M.E. Competition. Moscow: Williams/2010.

framework of the created clusters, support is provided not only to large businesses, but also to medium and small enterprises, which are assigned a supporting and servicing role.

Regional authorities need to know and objectively assess the strengths and weaknesses of their territory, which determine its investment potential and investment risk. In addition, it is necessary to disseminate a policy of incentives and preferences that is effective in relation to large as well as small and medium-sized businesses. Cooperation between various subjects of investment activity can also be carried out in such forms as science parks, cooperation agreements, innovative and technological partnerships, etc.

In addition to the state and business, scientific and higher educational institutions should participate in such cooperation. It is necessary to take into account the high scientific potential of the country - the presence of a large number of research centers, science cities, etc.

Main conclusions and recommendations. It seems expedient to create a special agency for attracting investments and working with investors. Its main functions can be: increasing in Uzbekistan and abroad the investment popularity and attractiveness of the regions; regular search and attraction of investors; development of promising areas of investment; creation of project teams to support specific projects.

An example of the implementation of this idea in practice is the creation of specialized Internet portals and investment passports of the regions, which provide the investor with all the necessary information about the potential place of investment activity. It should be noted that by creating a favorable infrastructure for investment activities, regional authorities are quite capable of creating prepared industrial sites.

Monitoring of the investment policy of regional authorities. It should not be forgotten that, ultimately, the main goal of regional development is to improve the well-being of the population. Therefore, it is very important to keep track of which investment projects are preferred: are there any objective economic reasons and prerequisites for this, is there a "corruption component". This task is entirely the responsibility of the state authorities.

So, international experience in creating a favorable investment climate shows that the main steps need to be taken at the regional level. The effectiveness of the efforts of regional authorities and local leadership is often of decisive importance when choosing investors for investment. In some regions of the country, modern measures are being taken to increase investment attractiveness. However, they have not acquired a systematic character, they are not implemented everywhere and not fast enough. In the current geopolitical and economic conditions, this is a serious risk factor.

The regional policy of the authorities to increase the investment attractiveness of their territories should be formed in the interests of investors on the basis of key criteria for them.

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