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«INVESTMENT PROCESS IN THE REPUBLIC OF UZBEKISTAN»

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INVESTMENT PROCESS IN THE REPUBLIC OF UZBEKISTAN

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Abstract:

Objective. This article is devoted to the state program «Strategy of actions in five priority areas of development of the Republic of Uzbekistan in 2017-2021» and «The New Uzbekistan's Development Strategy» developed and implemented at the initiative of the President of the Republic of Uzbekistan Sh.Mirziyoyev. That these state programs are aimed at the timely and effective solution of pressing issues, as well as its impact on the growth rate of the country's economy, including the issues of attracting foreign investment in the economy of the republic.

Methods. For a comprehensive consideration and obtaining objective results, this article uses the methods of system analysis, complex analysis, comparison, decomposition of problems and goals.

Results. Based on a systematic analysis of the data, it was revealed that bureaucratic barriers and obstacles in working with investors, especially in the field, consisting in the lack of proper support from khokimiyats of all levels of investor initiatives, clear coordination of the work of ministries and departments in this direction, hinders the strengthening of confidence in the consistency of state policies to create a favorable investment climate. In this regard, the creation in the country of the most favorable investment climate for foreign investors should be guaranteed by legal measures. Along with this, the article indicates the main directions for attracting foreign capital at the present stage of the country's economic development.

Conclusion. A systemic relationship is shown - an effective investment policy developed on the basis of the specifics of the country and the problems that hinder foreign investment. The main tasks are given, the implementation of which will create not only jobs, but also relieve economic tension and, of course, save significant financial and material resources. Attention is focused on the issues of the state economic program - «Strategy of action in five priority areas of development of the Republic of Uzbekistan in 2017 - 2021» and the logical continuation of this program «The New Uzbekistan's Development Strategy».

Keywords: sustainable development, crisis, modern state policy, action strategy, priority areas, foreign capital, foreign investment, investment climate, investment project.

Introduction. The solution of socio-economic, political issues, ensuring the sustainable development of the state, including its regions, is possible if the country's economic growth is at least 5% per year.

In a crisis for developing countries, the successful functioning of the national economy can be achieved with the necessary organization of state regulation and the creation of an optimal market infrastructure, i.e. development of modern state policy.

«State economic policy is a set of measures carried out by state bodies aimed at streamlining, adjusting and maintaining the socio-economic processes of the development of society, which provide economic growth and the necessary level of welfare of the country» [1].

In the Republic of Uzbekistan, in order to ensure the sustainable development of the country, the President of the Republic of Uzbekistan Sh. Mirziyoyev proposed and successfully implemented the state program «Strategy of action in five priority areas of development of the Republic of Uzbekistan in 2017 - 2021» [2]. The action strategy included:

- improvement of state and public construction;
- ensuring the rule of law and further reforming the judicial and legal system;
- development and liberalization of the economy aimed at further strengthening macroeconomic stability and maintaining high economic growth rates;
- development of the social sphere, aimed at a consistent increase in employment and real incomes of the population;

➤ ensuring security, interethnic harmony and religious tolerance, implementing a balanced, mutually beneficial and constructive foreign policy aimed at strengthening the independence and sovereignty of the state, creating a belt of security, stability and good neighborliness around Uzbekistan, strengthening the international image of the country.

At the present stage of development of the Republic of Uzbekistan, it is also necessary to present a picture of reforms based on the development strategy of New Uzbekistan for 2022-2026, which consists of seven priority areas developed according to the principle «From Action Strategy to «The New Uzbekistan's Development Strategy»», which has become an actual program. In accordance with this, a person, his rights and happiness should be the most important goal of state policy and the activities of all state structures. It was emphasized that the construction of society and state policy should be based on this idea and should be organized on the basis of the principle of «State for the people» [3].

Methods. For a comprehensive consideration and obtaining objective results, this article uses the methods of system analysis, complex analysis, comparison, decomposition of problems and goals [4]. In particular, foreign investment is vital for achieving such goals as getting out of the crisis, the initial recovery of the country's economy. In the document noted above, the third point is «development and liberalization of the economy» and «...active attraction of foreign investment in the sectors of the economy and regions of the country by improving the investment climate».

However, local interests do not always coincide with the interests of foreign investors.

Investors, regardless of the nature and form of investments, set the key goal of investing to return their own investments, both in kind and in value terms. The natural

form in this case refers to the return on investment as the real volume of the product. The value expression represents various forms of monetary forms and relations [5].

Therefore, it is necessary to take into account their interests. The owners of financial resources were confident in the success of their investments. At the same time, it is necessary to direct their actions towards solving the economic problems for which they were involved.

Currently, in the Republic of Uzbekistan, the main and most important thing for foreign investors is the stability in the country, the open and transparent policy of the head of state Sh. Mirziyoyev.

The President of the country is the guarantor of protecting the interests of both domestic and foreign capital investors. It guarantees foreign investors protection from political and economic risks [6].

Results. In the «Decree of the President of the Republic of Uzbekistan» Sh. Mirziyoyev «On measures to radically improve the investment climate in the Republic of Uzbekistan» dated August 1, 2018, it is noted that «there are bureaucratic barriers and obstacles in working with investors, especially in the field, consisting in the absence due support from khokimiyats of all levels of investor initiatives, clear coordination of the work of ministries and departments in this direction, which hinders the strengthening of confidence in the consistency of state policy to create a favorable investment climate» [7].

In order to create the most favorable investment climate in the country for foreign investors, the following legal measures have been taken:

➤ the investor is compensated for property damage incurred due to trust in the legal force of an administrative act of a state body adopted in relation to them, relying on the legal force of which they used the property, made a transaction or otherwise took advantage of the benefits and advantages provided, in case of

subsequent recognition of this act as invalid or its cancellation;

- withdrawal of land plots for state and public needs is allowed only after an open discussion with interested parties (investors) [8];

- withdrawal of land plots is allowed after full compensation of the market value of real estate and losses caused to owners in connection with such withdrawal, except for the needs of the state and society, defense and state security, protected natural areas, the creation and operation of free economic zones;

- long-term lease of non-agricultural land for up to 50 years is allowed for the implementation of investment projects;

- the minimum size of the share of foreign investments in the authorized capital of an enterprise with foreign investments has been reduced from 30 to 15 percent [9];

- the minimum size of the authorized capital of an enterprise with foreign investment has been reduced from 600 million to 400 million sums;

- the size of the state duty for the state registration of enterprises with foreign investment has been reduced by three times;

- measures are envisaged to attract foreign investment through the organization of international conferences, seminars, major investment forums to widely inform foreign investors about the economic potential of the country, created favorable conditions for doing business [10];

- granted the right to foreign citizens and stateless persons who have invested in Uzbekistan in the amount of at least 8,500 times the minimum wage - to receive a multiple-entry three-year visa with the possibility of an unlimited number of extensions of its validity without the need to leave the territory of the Republic of Uzbekistan [11];

- the heads of the complexes of the Cabinet of Ministers, ministries,

departments and business associations are personally responsible for the effective implementation of the decisions taken and other privileges.

Discussion. Against this background, almost all regions of the republic need to implement investment projects that can improve the situation on the ground. [12, 13].

At the regional level, the main directions for attracting foreign capital at the present stage of economic development are:

- agriculture (farms). In particular, these are areas where new methods of cultivating the land can be introduced to increase fertility and efficient use, while phasing out outdated methods of sowing cotton and other crops [14];

- organization of production of light goods, food industry, printing, medical equipment. Along with foreign capital, the active attraction of domestic private capital and their symbiosis can accelerate the economic growth of these areas;

- organization of production of plastic bags and films. There is an increased demand for these products in the consumer market;

- production of modern energy-saving technologies, ranging from fluorescent lamps to «LED» technologies. Here, too, the demand for these products is very high [15];

- procurement, packaging and delivery of export-oriented fruits and vegetables to foreign markets. For a foreign investor, the return of his capital investments in the implementation of this type of project can be guaranteed as soon as possible and in US dollars;

- development of fish farming, poultry farming, animal husbandry. The liquidity of these types of products is very high. If highly efficient innovative technologies are introduced into these areas, then we can talk about the low cost of the final (finished) product. At the same time, waste-free and completed production can be organized in this area;

➤ construction of modern greenhouse complexes. Organization of lemonariums and mulberry plantations. The possibility of providing the local population with fresh vegetables and fruits all year round, as well as organizing their export to neighboring countries [16];

➤ development of potato seed production. This area for the Republic of Uzbekistan and for the countries of Central Asia is very relevant and the implementation of projects in this new industry seems to be quite promising;

➤ accounting and improvement of electricity, natural gas and drinking water supplies. Manufacture of meters and means of transportation of energy and drinking resources. The priority direction is their automation. In this area, it is possible to organize a network of liquefied gas supplies and subsequent maintenance. With the favorable implementation of this project and the agreement of the governments of neighboring countries, the organization of a similar project on their territory - including from the supply of a gas cylinder to gas equipment [17, 18];

➤ construction of medical-sanatorium-tourist complexes. Simultaneously treatment and acquaintance with the sights of the region;

➤ construction and subsequent joint operation of the infrastructure of housing and communal services [19].

During the development of measures, it is necessary to ensure the openness and

accessibility of the heads of public authorities and administration, information services, official websites, the availability of providing information using technical means, stands and other important issues for the investor [20].

In addition, the inflow of private local and foreign capital into the country is hampered by political instability, inflation, imperfection of legislation, underdevelopment of industrial and social infrastructure, insufficient information support.

Conclusions. Thus, an effective investment policy is developed based on the specifics of the country, taking into account the problems noted above that impede foreign investment.

The implementation of the above directions will not only create jobs, but also relieve economic tensions and, of course, save significant financial and material resources.

The investment policy developed in accordance with the «Action Strategy for the Five Priority Directions of Development of the Republic of Uzbekistan in 2017 - 2021» and the logical continuation of this program «Strategy of New Uzbekistan» form a favorable environment conducive to attracting and increasing the efficiency of the use of investment resources for the development of the economy and social environment.

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STATISTICAL ANALYSIS OF ASSESSMENT OF THE VOLUME OF THE HIDDEN ECONOMY IN THE REPUBLIC OF UZBEKISTAN

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Annotation. This article examines the content and state of the hidden economy in our country, statistical methods used to assess its size. Measures to reduce the share of the hidden economy in our country as much as possible are also explained.

Keywords. hidden economy, hidden economy volume, white collar, gray hidden economy, indirect methods, direct methods, integration method, balance method.

It is no secret that there is a hidden economy in almost all countries of the world, and its share varies from country to country.

The attitude of scientists to the hidden economy is also different.

Some criticize it negatively, accusing it of having a negative impact on economic development, managing the state economy, of forming the basis of criminal activity, others admit that it is the foundation of new areas of the economy and innovation, first secretly, and then officially.

The secret economy is a complex socio-economic reality, which includes not only economic social structures, economic interaction in society, but, above all, the satisfaction of personal and group interests of individuals who make up part of the country's population, which cannot be controlled by society, then there is a large amount of additional income (profit) - this is the criminal use of state and non-state property, as well as economic wealth and entrepreneurial ability, hiding it from the management and control of state bodies. It is closely related to the open formal economy and is an integral part of it. Each secret activity is completely different.

Therefore, to solve the problems of

the hidden economy, it is necessary to indicate its main directions and segments.

The shadow economy refers to economic activity that develops outside of state accounting and control and therefore is not reflected in official statistics. The scale and nature of activities in the shadow economy vary widely, from large proceeds of crime (such as drug trafficking) to "rewarding" a plumber with a bottle of vodka for a repaired faucet. Different types of covert activities vary in quality.

The main directions of the hidden economy. Three criteria are used to identify types of secret activities: their connection with the "white" ("first", official) economy and subjects and objects of economic activity. From this point of view, the hidden economy can be divided into three sectors (Table 1):

- "second" ("white collar"),
- "gray" ("unofficial");
- "black" ("secret") hidden economy.

Although the study and analysis of the hidden economy has been going on for about half a century, scientists and analysts still do not have a unified approach to its analysis. For example, in English-language sources one can come across such terms as "informal economy", "shadow economy", "shadow economy",

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