

THE ROLE AND SIGNIFICANCE OF FOREIGN INVESTMENTS IN THE DEVELOPMENT OF THE ECONOMY.

Akramov Izzatillo Murodjon o'g'li

*Andijan Institute of Economics and Construction,
4th stage Economics 302 - group student*

Abstract: *This article talks about the rapid development of the national economy and the introduction of innovations in production, as well as investments in ensuring macroeconomic stability and high rates of economic growth in the economy of our country. Today, increasing attention to investments leads to the development of investment activities in our country, including foreign investments taking an important place.*

Key words: *Innovative activity, state program, foreign investments, Bank loans, national economy, innovations, Digitization, efficiency, budget, finance, investors.*

Since the first years of independence, Uzbekistan has determined its own direction of development of the national economy. National and foreign in the development of the economy and further acceleration of foreign economic activity

the role of investments is incomparable. Given that the investment environment affects all spheres of activity in the country, the scope of reforms is economic, institutional, education, health, agriculture, water supply, energy, transport and others. covers directions. It is necessary to comprehensively support and encourage active entrepreneurship, to increase the socio-economic potential of regions in the country, and to enable the sustainable growth of the standard of living and well-being of the population, to introduce innovative ideas and technologies, and for the rapid development of science and innovative activities. special attention is paid to creating conditions. At the same time, the results of the analysis indicate the existence of a number of systemic problems, including those that prevent the further improvement of the conditions for the development of active entrepreneurship and innovative activities in the country.

Innovative activity is the transfer of the results of completed research and development or other scientific and technical achievements to a new or improved product sold on the market, a new or improved technological process used in practice, as well as related additional scientific research and development. Considering this

definition of innovation, it should be noted that it does not contain the concept of innovation development. Innovation refers to the entire innovation process, without exception, from the emergence of an idea to the distribution of a product. A more precise definition of innovation is as follows: Innovative activity is the development of innovation, the application of the results of completed research and development or other scientific and technical achievements to a new or improved product sold on the

market, a new or improved technological process that is used in practice, as well as relevant additional research and development process. The Law of the Republic of Uzbekistan "On Investments and Investment Activities" states that "investments are tangible and intangible assets that are invested by the investor in the social sphere, entrepreneurship, scientific and other types of activities based on risks and the rights, including rights to intellectual property objects, as well as reinvestment.

The development of international trade between countries, the expansion and improvement of production integration is the reason for the further liberalization of foreign economic activity. one of the directions is to attract foreign investments to the republic. In the President's address to the Oliy Majlis on December 29, 2020, they stated that "Economic growth is achieved primarily by creating competitive industrial chains and increasing investments in such projects." A broad and detailed analysis of specific achievements and successes achieved in investment activities, important practical conclusions based on this basis, among the most urgent issues that we should pay attention to in the future, in determining the priority directions of our country's development and development programs, of course, the main focus is on foreign investments it should be noted that it is directed. By increasing investment attractiveness, the following can be achieved:

② the entry of national and foreign investment into the economy will be activated, as a result of its proper use, modern and resource-saving techniques and technologies will be brought to the real sector, the existing ones will be modernized, and relatively low-cost goods will be produced for export and the national market;

② provides jobs for the growing population by developing small business and private entrepreneurship using national and foreign investment, developing production in sectors such as agriculture, industry and service;

② it will be possible to form new business entities in the country and thereby improve the competitive environment in the domestic market, provide the population with quality and cheap products.

Financing of investment activities comes from several sources. Currently, our Republic has the following sources of investment financing:

- 1) Funds of enterprises and individuals.
- 2) Financing from bank loans.
- 3) Financing from the state budget and extrabudgetary funds.
- 4) Foreign investments.

It is known from the experience of developed countries that attracting foreign capital, especially foreign direct investment, is the most effective investment tool. It is foreign investments that serve as a driving factor of economic and technological processes in the country. To increase the effectiveness of attracting foreign direct investments to the economy of the republic, to inform foreign investors about the opportunities and potential of our country, and state and economic management in the field of attracting and developing foreign investments. in order to improve the

coordination of the activities of local executive authorities, the President of the Republic of Uzbekistan dated April 29, 2019, No. on" was adopted. Based on this decision, the state program was determined in the following areas:

□ sale of packages of state shares (shares) in the authorized capital of chemical and oil and gas industry, economic entities in the field of machine building, banking and insurance organizations;

□ development of ready-made investment proposals to attract foreign direct investments;

□ extensive use of opportunities of investment and business forums, presentations ("Road Show") and marketing campaigns;

□ organization of priorities for the implementation of public-private partnership projects.

The need to implement investment projects in the priority sectors of the republic's economy arises from the following: the physical and moral obsolescence of production facilities, their restoration or technical re-equipment or general renewal; the very low material and technical base in the industrial sector and the presence of many loss-making enterprises; that the ratio between savings and consumption in the national income of the republic is mostly spent on the consumption side and that savings as a source of investment is decreasing; Uzbekistan's wealth of natural resources and the possibility of building many processing enterprises here; the growing population (labor resources) and the need to establish small modern compact enterprises and bring them closer to the village, which is the source of labor resources; the need to reduce the weight of raw materials in the export of the republic and to be able to produce many finished products, etc.

Liberalization of business activity is required to activate private investments. It is necessary to work diligently to identify and overcome obstacles that prevent the development of certain sectors, constant dialogue with business. In this regard, it is possible to increase the flow of foreign investments by actively working in the following directions.

1. In order to maintain high and stable rates of economic growth, it is necessary to form a stable and competitive model of the country's economy, in which most of the assets of the banking system are in the hands of private investors.

2. In order to increase investment attractiveness and ensure the rapid growth of infrastructure-oriented investments, which is one of the main factors of sustainable economic growth, actively promote investment activities by developing public-private partnerships and project financing tools. .

3. Relations between investors and the state are being optimized in order to completely eliminate bureaucratic obstacles and restrictions in the implementation of investment projects through digitization and remote provision of public services. Improving the quality of organization of work with appeals and requests of foreign investors to ensure maximum transparency and prevent corruption.

4. Reduction of transaction costs that lead to the outflow of labor and capital from the legitimate sectors of the economy to the shadow economy.

5. Development of an investment policy strategy focused on the most promising sectors of Uzbekistan, which can become a point of technological progress and create a basis for the development of the country's production capacity in the next 20-30 years.

CONCLUSION

The main step in improving the investment environment should be the formation of a complete and effective institutional framework through efforts aimed at creating conditions for attracting private and foreign direct investments. Liberalization of business activities is required to activate private investments. Constant communication with business, identification of obstacles that hinder the development of certain sectors and diligent work on smooth transition is necessary. In this regard, in order to increase investment attractiveness and ensure sustainable economic growth, encourage investment activity through the development of public-private partnerships and project financing tools, remove bureaucratic obstacles in the implementation of investment projects through digitalization of industries and remote provision of public services and the most important factors are the organization of work with the appeals and requests of foreign investors to completely eliminate restrictions, ensure maximum transparency and prevent corruption, and direct foreign investments to promising sectors of Uzbekistan.

THE LIST OF THE USED LITERATURE:

1. Law of the Republic of Uzbekistan "On Investments and Investment Activities".
2. Law of the Republic of Uzbekistan "On Foreign Economic Activity".
3. "Uzbekistan Implementation of the investment program of the Republic for 2020-2022 Presidential Decree No. 4563 "on measures to increase
4. "Uzbekistan Implementation of the Republic's investment program for 2021-2023 Presidential Decree No. 4937 "on measures to increase
4. Decision of the President of the Republic of Uzbekistan dated April 29, 2019 No. PQ-4300 "On measures to further improve the mechanisms of attracting foreign direct investment to the economy of the Republic".