

TASKS OF ATTRACTING FOREIGN INVESTMENTS TO THE REGIONS

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Annotation

In this article, a methodological approach to assessing the level of investment potential of the Kashkadarya region is formed on the basis of a "SWOT" analysis of the tasks that must be completed to attract foreign investment in the economy of the region and the impact of foreign investment. The industrial potential of the region in the formation of the digital economy is assessed.

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As a result of the deepening of the globalization processes, the intensification of international competition, the rapid development of the digital economy leads to an increase in the demand for foreign investments as an important factor in the modernization of production and technical and technological development. In 2021, the volume of direct investments will be 1.6 trillion. USD, up 64% from 2020 and reaching pre-pandemic levels¹. However, from 2022, the global investment climate has changed dramatically. In particular, according to experts, the tightening of relations between Russia and Ukraine is causing three crises: the increase in the prices of food and fuel and energy products, and the sharp limitation of financing volumes. At the same time, factors such as the risk of a revival of the pandemic, the possibility of an increase in refinancing rates in developed countries, and a depressed situation in the financial markets may also have a negative impact on the development of global direct investments.

In such a complex environment, it is increasingly important to direct foreign investments to the rational use of natural and economic potential in the leading sectors of the economy and regions, to modernize the national economy through technical and technological renewal, and to effectively use attracted foreign investments. In this regard, targeted scientific research dedicated to solving the legal and economic problems of regulating international investment flows, ensuring sustainable economic development by actively attracting investments to the economy of the country and its regions is gaining momentum.

In the 3rd section of the new development strategy of Uzbekistan, a number of goals for the rapid development of the national economy and ensuring high growth rates have been put forward. One of these goals is to "increase GDP per capita by 1.6 times in the next five years and per capita income by 2030 to over 4,000 US dollars by ensuring stable high growth rates in economic sectors and become among the "countries with higher than average income" to create the ground for entry".²

Also, on attracting foreign investments to the country's economy, a special goal was set: "To further

¹ https://unctad.org/system/files/official-document/wir2022_en.pdf

² https://unctad.org/system/files/official-document/wir2022_en.pdf

improve the investment environment in the country and increase its attractiveness, to take measures to attract 120 billion US dollars, including 70 billion dollars of foreign investments in the next five years.³

In recent years, in our country and in particular in Kashkadarya region, systematic work on creating a favorable investment and business environment, ensuring legal stability, developing small business and private entrepreneurship, and fundamentally improving the investment environment is an important basis for the increase in the volume of foreign direct investments directed to our economy. As the President of the Republic of Uzbekistan Sh.M. Mirziyoev noted, "Our economic strategy is aimed at attracting large-scale investments to the economy." From this point of view, the task of creating the necessary conditions for the investment growth rate to be at least 25% of the gross domestic product in 10 years has been set.

Kashkadarya region has reserves of 61 types of mineral resources. Of this, Manganese - 813.4 thousand tons; quartzite - 1735.4 thousand m³; Porcelain stone - 853.9 thousand tons; pegmatite - 1617.1 thousand tons; Potassium 400 mln. in tons; Glauconite and bentonite - 15.7 million. tons; Marble - 2717.0 thousand tons; dolomite - 10038.0 thousand tons; Lime – 8862.0 thousand tons; Stones used in construction - 5936.8 thousand m³; Cement material - 265.5 million tons; expanded clay - 14.5 million tons; Glass material - more than 10.0 million tons and reserves of other mineral resources. 88% of the oil and 93% of the natural gas produced in our republic corresponds to the contribution of our region. Mubarak gas processing plant, Kokdumaloq oil field occupies an important place in the fuel energy complex of our country. Kashkadarya region is one of the developing regions of agro-industrial industry, and the republic is a leader in the field of fuel and energy. The region's specialization in the agricultural sector determines its role and importance in the territorial organization of the country's production forces. In the following years, structural changes were implemented in the region, which led to the growth of economic potential. The weight of the region in the structure of the national economy of the country has increased. GNI has a stable growth rate.

According to the results of the analysis, it shows that the existence of sharp differences in the level of changes in the gross regional product of the Kashkadarya region and the regions of the republic is caused by the following:

- Different levels of industrial development in Kashkadarya and republican regions;
- Diversity of the network composition based on geographical location, natural climate and other features of Kashkadarya and republican regions;
- the fact that the level of employment in the economy of the regions is different in relation to the total population;
- There are differences in the quality of the labor potential of Kashkadarya and republican regions and the efficiency of its use. The main reason for sharp differences in the level of changes in gross regional product of Kashkadarya and republican regions is their different level of industrial development.

Today, the main directions of modernization of production in Kashkadarya region are equipping production with modern techniques and technologies, introducing innovative technologies into production based on local resources, expanding the range of manufactured products, reducing production costs and saving resources, quality management and certification system. implementation is the introduction of waste-free and environmentally friendly technologies.

In the strategy of actions, the gradual production of obsolete and outdated equipment and equipment was set as a priority. According to experts' assessment, during this period, 50-60 percent of equipment

³ 2022 — 2026 йилларга мўлжалланган “Янги Ўзбекистоннинг тараққиёт стратегияси тўғрисида” Ўзбекистон Республикаси Президентининг 28.01.2022 йилдаги №60-сонли Фармони. 21-мақсад

and facilities will be replaced with modern foreign technologies.⁴

From the proposals developed on the regional aspects of the use of foreign investments, the methodological approach of assessing the level of investment potential of Kashkadarya region based on "SWOT-analysis", the proposal to assess the impact of foreign investments on the industrial potential of the region in the formation of a digital economy was introduced into the activities of the Ministry of Economy and Industry of the Republic of Uzbekistan (Kashkadarya region of the Republic of Uzbekistan Reference number 01-05/440 dated September 9, 2020 of the Investment and Foreign Trade Department). As a result, on the basis of the SWOT analysis, a methodical approach to the assessment of the level of investment potential of Kashkadarya region is formed, the impact of foreign investments on the industrial potential of the region in the formation of the digital economy is evaluated. Below is a table on the results of the research conducted in this regard.

SWOT analysis of Kashkadarya region as a socio-economic system⁵

<p>Strengths</p> <ul style="list-style-type: none"> - the presence of rich natural industrial deposits - industrial development - the presence of reserves of mineral resources; - availability of natural land resources and pastures, - high temperature; - there is high business and investment activity; - abundance of labor resources - convenient geographical and geopolitical location; - high cultural and tourist potential; - has the potential to develop domestic and foreign tourism. 	<p>Weak aspects</p> <ul style="list-style-type: none"> - the industry specializes in the production of one-sided raw materials; - presence of sharp differences in development at the district level; - the melorative state of agricultural lands is not up to the required level; closed underground drainage systems are out of order; - lack of development of the service sector; - the market infrastructure is located unevenly across districts. - that the population does not have complete information about stock markets; - age of water, gas and electricity supply system
<p>Opportunities</p> <p>the possibility of improving the structural structure of the economy and developing digital economy sectors at a priority level;</p> <ul style="list-style-type: none"> - achieving 100% processing of agricultural products; - improvement of land melorative condition; - development of tourist business - development of cooperative relations between large industrial enterprises and small businesses; - fully integrated processing of mined mineral raw materials and agricultural products in the region itself; - directing the income of the population and remittances from outside the republic to the region for investment. 	<p>Threats</p> <ul style="list-style-type: none"> - Failure to consider the interests of the region when making decisions; - lack of diversification of industrial products - slow process of technical and technological modernization of industry; - a sharp drop in competitiveness as a result of the disparity between the price of agricultural products and the price of energy and fuel resources; - that the bank has not developed the mortgage and microcredit system; - availability of food safety; - unemployment rate; - centralization of the main part of financial resources in the city of Karshi.

⁴ Мэтякубов А.Д. Курилиш материаллари ишлаб чиқариш саноатида инвестицион таъминотни бошқаришнинг ҳолати таҳлили. Журнал Бизнес-Эксперт 2019 йил. №2 40 б.

⁵ Created by the author

Within the framework of the "Prosperous village" and "Prosperous neighborhood" programs in Kashkadarya region, the architectural appearance of 69 villages and 10 neighborhoods is being fundamentally renewed in the last 2 years in order to create a new, prosperous and more beautiful image of cities and villages, and to improve the well-being of our people. Construction and improvement works are being carried out in road transport infrastructure, engineering and communication networks and social sphere objects. More than 13,000 new jobs were created due to the allocation of 518 billion soums of credit funds for 29,189 projects within the framework of the "Every family-entrepreneur" program.

When analyzing and assessing the level of socio-economic development of Kashkadarya region and its place in the regions of the Republic, as well as the state of attracting foreign investments to the region and its effective use, the indicators of the investment environment of the region and its regional aspects require study and analysis. In this regard, by carrying out a SWOT analysis of the region, the approach can identify and evaluate the impact of the region's investment climate indicators on the process of attracting foreign investment to the region and its effective use.

The data collected in the course of this analysis research is based on the data of the statistical bulletin of the Republic of Uzbekistan and Kashkadarya region. The analysis shows that the region's strengths and opportunities are greater than its weaknesses and risks, which indicates its high potential. Such a realistic analysis of the situation will help to determine the ways to prevent possible risks by eliminating the weak points of the region with the help of its strengths and opportunities.

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