# The essence of attracting foreign investment to the Republic of Uzbekistan

**Khasanova Yu.M.**
Senior Lecturer of the Department
of "Finance and Banking", Karshi State Technical University.

**Abstract.** The Republic of Uzbekistan, due to its rich natural resources, strategic geographical location, and large consumer market, has the potential to become an attractive destination for foreign investment. The article focuses on the importance of attracting investment to the country, as well as the state of the investment climate and measures that can be taken to improve it.

**Keywords:** resources, consumer market, foreign investment, investment climate.

**Annotation:** The Republic of Uzbekistan, due to its rich natural resources, strategic geographical location, and large consumer market, has the potential to become an attractive country for foreign investment. The article focuses on the importance of attracting investments to the country, as well as the state of the investment environment and measures aimed at its improvement.

**Keywords:** resources, consumer market, foreign investments, investment environment.

**Introduction:** After gaining independence, the Government of the Republic of Uzbekistan introduced changes to the economic system aimed at creating a market economy that would be competitive at the international level. Following this, local and foreign investors accumulated significant experience in investing in various sectors of the economy and establishing joint ventures.

Over the past few years, the Republic of Uzbekistan has demonstrated rapid economic growth driven by comprehensive reforms aimed at increasing openness and integration into the global economy. Successful measures were taken to ensure macroeconomic stability and create a favorable investment climate, which led to a significant increase in foreign direct investment. In addition, the volume of foreign investment attracted to the republic is growing annually through various forms of international cooperation, such as privatization, direct investment, joint ventures, concessions, banking and financial services, hotel and trade services, and insurance. Every year, the Government of the Republic of Uzbekistan holds a number of investment forums in various sectors of the economy.

The economic growth and development of Uzbekistan largely depend on foreign investment. The inflow of foreign capital can bring numerous benefits, including the creation of new jobs, the introduction of modern technologies, and the improvement of infrastructure.

In addition, foreign investment can help diversify the country's economy. Foreign investment can also contribute to the development of human capital, as foreign companies actively participate in training and professional development programs for local employees.

Adequate infrastructure is essential for attracting investment and facilitating economic activity. Uzbekistan has identified infrastructure development as a priority, investing in the transport, energy, and telecommunications sectors. Modernization of transport infrastructure: improving the road network, expanding railway lines, and developing modern airports are crucial for Uzbekistan's access to regional and global markets.

This includes upgrading existing infrastructure, constructing new roads and railways, and investing in efficient logistics systems.

Expansion of energy infrastructure: reliable and affordable energy is necessary for industrial development. Uzbekistan should prioritize investments in renewable energy sources such as solar and wind energy in order to reduce dependence on fossil fuels and enhance energy security.

Development of digital infrastructure: reliable digital infrastructure is essential for attracting technology-based investments and stimulating innovation. This includes expanding broadband Internet access, developing e-government platforms, and improving digital literacy.

A skilled and educated workforce is a key factor in attracting investment. The Republic of Uzbekistan has made progress in improving education and vocational training systems, but further efforts are needed to align education with the needs of the modern economy.

The main areas of activity include: improving vocational training; investments in vocational training programs that provide people with the skills required in the labor market are crucial. This includes partnerships with industry to ensure that training programs correspond to current and future employment needs; development of STEM education, encouraging education in STEM (Science, Technology, Engineering, and Mathematics) is essential for attracting investment in high-tech industries.

Attracting investment requires more than just political reforms and infrastructure development. It also requires building trust among investors, which Uzbekistan can achieve through transparency and accountability. Ensuring transparency in government activities and financial reporting is crucial for strengthening investor confidence.

This includes implementing open data initiatives and promoting freedom of information. Ensuring reliable legal protection for investors is essential for attracting and retaining investment. This includes establishing clear and predictable investment laws, ensuring fair and impartial dispute resolution mechanisms, and protecting investors from expropriation. Promoting the development of public-private partnerships: encouraging public-private partnerships (PPP) can help attract private sector expertise and capital for infrastructure development and other projects.

Actively promoting Uzbekistan as a favorable investment destination is crucial for attracting foreign investors. This includes organizing investment conferences, showcasing investment opportunities, and providing support to foreign investors. This can be achieved through targeted marketing campaigns, organizing investment forums and conferences, and establishing investment promotion agencies.

These measures can help raise awareness of the country's investment opportunities and attract investors from around the world.

Increasing the industrial and production potential of the republic, the widespread introduction of high technologies into economic sectors, expanding the attraction of foreign direct investment for the creation of new production capacities in the regions, developing exports, ensuring employment and reducing poverty, as well as systematic investment planning and effective management of investment projects have today become the most pressing tasks.

In conclusion, it should be noted that attracting investment is crucial for the economic growth and development of Uzbekistan.

Increasing the industrial and production potential of the republic, the widespread introduction of high technologies into economic sectors, expanding the attraction of foreign direct investment for the creation of new production capacities in the regions, developing exports, ensuring employment and reducing poverty, as well as systematic investment planning and effective management of investment projects have today become the most pressing tasks.

**References:**

1. Barinov A.E. Current State of the Global Market for Financing Investment Projects and the Role of Banks in Its Development // Finance and Credit. No. 25, 2007. pp. 16–22.
2. Abdurakhmanova M.A.: Monograph. “Problems of the Scientific and Production Sphere in the Conditions of Transformation of the National Economy of Uzbekistan”. Tashkent. “Ma’rifat”, 2023.
3. Science Indicators. Statistical Collection. Moscow, 2021. pp. 100, 105, 113.
4. Millier, P. Stratégie Et Marketing De L'innovation Technologique-3ème Édition: Lancer Avec Succès Des Produits Qui N'existent Pas Sur Des Marchés Qui N'existent Pas Encore; Dunod: Paris, France, 2011; Available online: https://www.dunod.com (accessed on 10 January 2022).