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Improving Attraction of Foreign Investments in Economic Liberalization

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Annotation: ***The article highlights reforms to liberalize the economy, develop a competitive environment and increase the investment attractiveness of the Republic of Uzbekistan. In particular, a comparative analysis of the results of Uzbekistan on the Index of Economic Freedom with other countries was carried out. Measures to reduce state participation in the economy in the conditions of the formation of a competitive environment and the results of the government's efforts in the framework of market reforms are also considered.***
Keywords: economic liberalization, macroeconomic stability, economic freedom.

I. INTRODUCTION

Modern Uzbekistan is the leading industrial state in the Central Asian region, ensuring stability and economic development of the region as a whole. Among the advantages that the country's modern economy offers to foreign companies are political and macroeconomic stability, favorable natural and climatic conditions, hospitable and hardworking people, and many others. Of all the advantages, the key factors for the success of doing business in Uzbekistan are: a rich resource base; favorable geographical location in the center of the largest regional markets; transport and logistics system integrated into the network of ground and air communications of international importance; diversified industrial base and scientific-intellectual, personnel potential of the republic. During the years of independence, a favorable investment climate, a wide system of legal guarantees and benefits for foreign investors have been created in the Republic of Uzbekistan, and an integral system of measures has been developed to stimulate the activities of enterprises with foreign investment. The investment legislation of the Republic of Uzbekistan is one of the most advanced in the system of legislation of the CIS countries, incorporating the main provisions of international investment law, in particular, the provisions on guaranteeing the rights of foreign investors, providing certain preferences for investors and others.

Investment activity in the regions of Uzbekistan is important for the development of the entire national economy. This provision can be confirmed by the fact that in the republic the formation and implementation of a regional investment policy is considered by the government as a necessary condition for sustainable economic growth. In recent years, as a result of economic reforms carried out in Uzbekistan, the potential of the republic and its territorial economic units has increased significantly. Practically in all areas due to attraction of foreign investments new manufactures, transport communications and other objects are put into operation.

Foreign investments in the territory of the Republic of Uzbekistan can be made in various forms. In particular:

1) Equity participation in statutory funds and other property of economic companies and partnerships, banks, insurance organizations and other enterprises established jointly with legal entities and (or) individuals of the Republic of Uzbekistan;
2) Creation and development of economic companies and partnerships, banks, insurance organizations and other enterprises wholly owned by foreign investors;
3) Acquisition of property, shares and other securities, including debentures issued by residents of the Republic of Uzbekistan;
4) The investment of intellectual property rights, including copyrights, patents, trademarks, utility models, industrial designs, trade names and know-how, and goodwill;
5) Acquisition of concessions, including concessions for exploration, development, extraction or use of natural resources;
6) Acquisition of the right of ownership to trade and service facilities, residential premises together with the land plots on which they are located, as well as the right to own and use land (including on the basis of lease) and natural resources.

An important role is played by the accession of Uzbekistan to the international system of legal support. The Republic has acceded to such international documents as the Washington Convention on the Procedure for Settling Investment Disputes between State and Foreign Persons (1965), the Seoul Convention on the Establishment of a Multilateral Investment Guarantee Agency (1985). Uzbekistan has concluded many intergovernmental agreements on mutual protection and encouragement of capital investments, signed agreements on the avoidance of double taxation, on partnership and cooperation.

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According to experts, the laws and regulations adopted in the Republic create an integral system of tax benefits, incentives and guarantees against political and commercial risks, favorable framework conditions for the active participation of foreign firms and companies in the markets of Uzbekistan.

The investment policy of the state is a set of interrelated goals and measures to ensure the required level and structure of investment in the country's economy and its individual areas and industries, to increase the investment activity of all the main agents of reproductive activity: the population, entrepreneurs and the state. Simply put, investment policy is the activity of the state aimed at finding sources of investment and establishing rational areas for their use. Developed by the head of our state, the "Strategy of Action in Five Priority Areas of Development for 2017-2021" is aimed at further development of the country, increasing prosperity and improving people's lives. In the successful implementation of this strategy, an important role belongs to the ongoing investment policy, increasing investment activity at all levels of government, including the population, and increasing the return on investment funds invested in the development of the economy [1, 70].

Investments are considered the resource "artery" of the economy. As American investors, businessmen and entrepreneurs say, "We invest today to live better tomorrow." Indeed, thanks to investments, new ones are being created and “old” enterprises and facilities are being modernized, reconstructed, expanded, housing construction is being carried out on a large scale, the appearance of cities, villages and workers’ settlements is improving, and modern infrastructure is being formed. In our opinion, thanks to investments, or rather, investments in objects necessary for the economy, life improves, people live well today. As world practice testifies, almost all countries, even highly developed ones, need investments. For example, the United States, which occupies a leading position not only in the economy, but also in engineering and technology, providing investment support to other countries, turns out to be attracting foreign investment to its economy.

Real positive changes in all spheres of the economy and life came to the republic only after it gained independence. Carrying out reforms and implementing its own model of economic development, which is recognized by the world community as “Uzbek”, Uzbekistan has achieved tremendous changes. According to available data, over the years of independence, almost 200 billion dollars have been invested in the development of the domestic economy, the modernization of "old" fixed assets, the creation of modern high-tech industries and industries, of which almost 70 billion dollars are foreign investments. Completely new industries began to function in the economy - automotive, railway engineering, oil and gas engineering, petrochemicals, industry, modern building materials, consumer electronics, pharmaceuticals, etc.

In the implementation of structural transformations of the economy of Uzbekistan, foreign investment plays an extremely important role, since the productive forces of the republic need large investments for modernization and reconstruction, and domestic sources of investment financing are insufficient. Therefore, attracting foreign investment on a large scale pursues strategic goals and is one of the most important directions of the state policy being pursued.

An important factor in the investment climate is the system of financial and economic incentives and benefits for foreign investors, which is focused on increasing foreign direct investment in the manufacturing sector and, in particular, in industries and industries with great export potential.

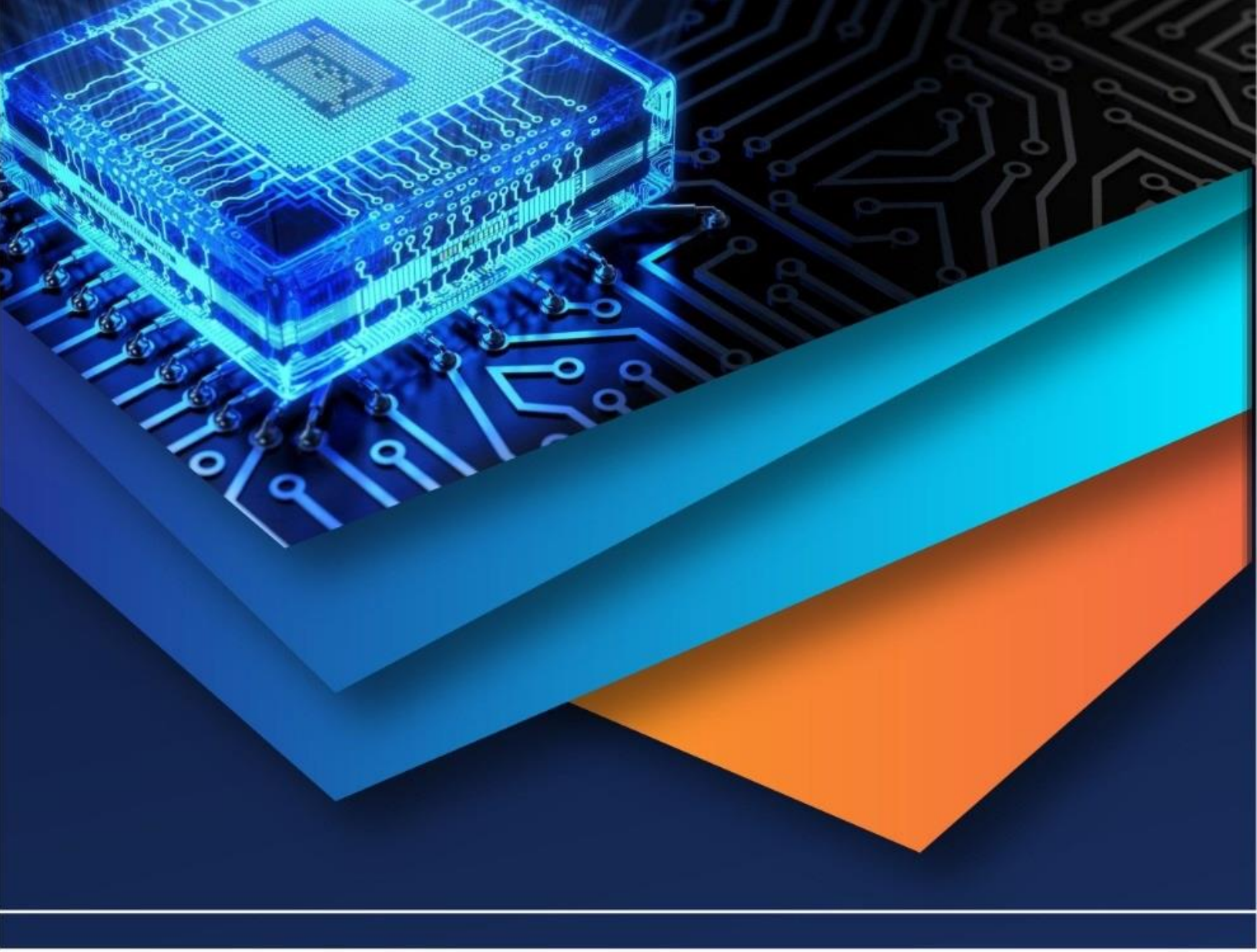
Thus, the use of foreign investment at the same time allows you to get:

- Additional financial resources,
- Attract advanced foreign technologies and management experience,
- Saturate the domestic market with quality products and develop the country's export base.

An effectively thought-out state policy to attract foreign investment is becoming an effective tool for structural transformation of priority sectors of the economy of Uzbekistan.

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