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DEVELOPING THE INFRASTRUCTURE OF THE DIGITAL ECONOMY

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Annotation: The article analyzes the ways of attracting the foreign investors' on investment their capital in the national economy not only on the bases of the rating indicators of enterprises or economic performance, but also on the bases of country's geopolitical location, and domestic and foreign policy. Moreover, the article discusses the prerequisite to reduce foreign investment risk and comprehensive protection of investor capital as well.

Key words: investment, strategy, region, source of financing, foreign investments, funds of the population, attracted funds.

Introduction

We all know that today in ensuring socio-economic development it is important to study the achievements and practical experience of the world's leading countries in the field of science and technology and evaluate their use. Therefore, the future development of the economy of the republic depends mainly on the attraction and efficient use of foreign investment. Accordingly, investment has now become an important basis for ensuring the implementation of comprehensive economic reforms in the country. Based on these circumstances, it is important for the country's economy to analyze the existing problems, identify a number of factors and shortcomings that hinder the timely and complete implementation of foreign investment projects, attract and absorb investment, and develop proposals and recommendations for their solutions.

Over the past two years, the timely and quality implementation of investment

projects envisaged in the investment program in Uzbekistan has played an important role in socio-economic development of the country, creation of new production facilities and jobs, improvement of infrastructure, landscaping and welfare.

We all know that the current system of formation of the Investment Program of the Republic leads to the gradual attraction of promising foreign investment projects in our economy, the timely development of project documents and the process of short-term submission to the investor. This leads to delays in the process of financing investments and the development of investment funds, and ultimately in the commissioning of production facilities. One of the reasons for this is the insufficient implementation of modern advanced information and communication technologies in the development and monitoring of investment programs.

Literature review

Fabrizio Vielmini, a senior fellow at the Center for Political Studies and Advocacy

(CPRO) at Westminster International University, says an average of 500,000 jobs should be created each year in a country of 34 million people. (Vielmini 2019) However, it is very difficult to do this without attracting external capital.

“In the past, the country lived in a closed system, but after the change of government, Uzbekistan is pursuing a new, open investment policy. Attracting foreign investment to Uzbekistan is one of the main directions of economic development. If there are no structural changes in politics and the economy, the state may not be able to withstand the effects of the global crisis. The current political system is aimed at attracting more foreign partners to the country. Despite the slowdown in the world economy, the situation in Uzbekistan remains positive and in the future economic indicators will differ from those of neighboring countries, - says Vielmini, a political scientist and expert on international relations in Central Asia. (Vielmini 2019)

Today, attracting foreign investment is very important to ensure the stability of the economy of the country, the construction of new enterprises equipped with modern equipment and technology, as well as the reconstruction of old ones. This will, first of all, provide an opportunity to solve the most important social problems, such as employment of the population, increase of its

wages and incomes. Therefore, one of the most important issues is to provide economic incentives and create the necessary conditions for enterprises attracting foreign investment to our country.

According to experts, one of the main reasons for the growing interest of investors is a large-scale privatization program. The privatization program includes about 3,000 state-owned enterprises. Uzbekistan's plans to join the Eurasian Economic Union may also be an important reason for attracting investors. Indeed, the Customs Union will open new markets for Uzbek producers, including those with foreign capital.

Methodology

During the study, hypotheses, statistical, comparative and systematic approaches to the study of investment financing, investment processes, the causes of delays in the commissioning of production facilities and the application of modern advanced information and communication technologies in the development of investment programs, monitoring and formulation of scientific conclusions and recommendations widely used.

Analysis and results

According to last year's results published in the UNCTAD World Investment Report 2020, Uzbekistan is among the top five countries with economies in transition that attract the most foreign direct investment (FDI).

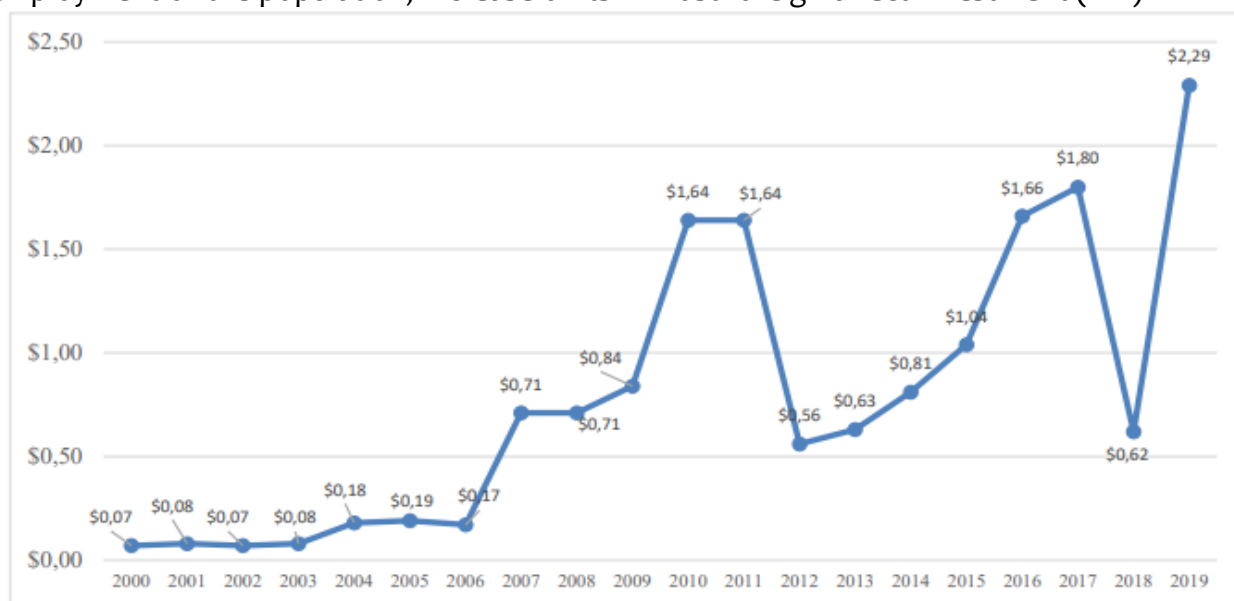


Figure 1. The volume of direct investments in the economy of Uzbekistan, bln. doll [10]

In 2019, the republic attracted \$ 2.3 billion in foreign direct investment, excluding loans, the document said. In the list of five countries with the same level of economic development by attracting foreign capital, Uzbekistan ranks fifth in terms of foreign assets.

According to the State Statistics Committee of the Republic of Uzbekistan, the total value of all types of foreign funds disbursed last year amounted to 4.2 billion dollars. This indicates the high interest of foreign investors in investing in fixed assets of Uzbek enterprises. The investments are aimed at financing oil and gas projects, production of industrial, food, clothing and other products. In the process of Uzbekistan's active investment policy, more than 10,000 foreign companies have invested in the country's economy. Among them are the largest oil company LUKOIL, a subsidiary of the National Oil and Gas Corporation of China, and the German automotive company MAN Group.

Uzbekistan has begun to move to a policy of accelerating investment. The three-year investment program for 2020-2022 aims to attract more than \$ 35 billion in foreign

investment. As the fastest growing economy in the Commonwealth of Independent States, it is offering investors to invest not only in industry, but also in electricity generation, pharmaceuticals, communications services and retail.

Discussion of research results

It is worthwhile to pay special attention to the following important areas when studying the experience of developed countries in Asia in terms of foreign investment.

In particular, the state of Singapore in the late twentieth and early twenty-first centuries has focused all its efforts on attracting foreign direct investment to the economy and creating a trade environment based on international market demand. A wide range of opportunities has opened up for foreign investors in the development of long-term strategies in all sectors of the country. According to UNCTAD, today Singapore is recognized as the third largest country in Asia and the eighth largest in the world in terms of attracting foreign direct investment. Among the countries that have invested the most in Singapore are the developed economies of the United States, the Netherlands and Japan.

Table 1

Information on foreign direct investment in Singapore in 2018-2020 [12]

Foreign direct investment	2018	2019	2020
Domestic inflow of foreign direct investment (mln. USD)	75,723	77,646	92,081
Foreign direct investment reserves (\$ million)	1,393,380	1,481,033	1,697,556
The number of Greenfield investments	390	420	397
Greenfield Investment Value (\$ million)	17,116	16,175	6,820

Singapore has provided many incentives for foreign investors to invest in specific sectors such as financial services, tourism, healthcare and telecommunications. In particular, Singapore has bilateral agreements and treaties with more than 70 countries, which will reduce the tax burden on foreign investors.

Today, Singapore's economic potential has increased to such an extent that we can see this through the following data:

- By 2025, Singapore is expected to take full control of the Swiss markets for the supply of agricultural products;

- Today, more than 4 billion consumers around the world are in demand for goods produced in Singapore;

- Developed countries The United States, the European Union and about 7,000 major Japanese international companies operate in Singapore;

- More than 3,000 companies from countries such as China and India are based in Singapore.

According to the UNCTAD report, Singapore is the fourth largest recipient of financial capital in 2019 after the United States, China and Hong Kong in terms of attracting foreign direct investment, contributing \$ 77.65 billion to the country's economy. doll. foreign investments in the amount.

Analyzing the above data, we can conclude that today's demand is to reconsider and evaluate the important tasks that need to be done to attract foreign direct investment in the economy of our country, based on international experience.

Assessing the attraction of foreign investment in modern Uzbekistan as a solution to a number of economic and social problems that have accumulated over the years, we can point out the following important tasks:

- creation of innovative enterprises based on new modern technologies for the production of import-substituting goods, which are in high demand in the domestic market of the country, will create new jobs in our economy;

- Innovative technological renewal will enter the national economy and modern means of production and equipment will be installed in the national industrial production, and as a result, the production of new types of national products competitive in the world market will be launched;

- new small free economic zones and infrastructure facilities will be created in the territory of the republic by attracting international credit lines by local producers, which will increase the income of the local population living in this area;

- As a result of the inflow of foreign investment into our country, the integration of our national economy into the world economy will take place.

An analysis of the above considerations shows that no matter what level of foreign investment in our country, we can see it as an important factor in ensuring economic growth.

At the same time, the effectiveness of attracting foreign investment to the special free economic zones established at the initiative of the President, including Navoi, Jizzakh, Angren, Gijduvan, Kokand, Urgut, Khazarasp free economic zones, is growing.

Today, there are a number of opportunities and conditions for foreign investors to attract foreign investment to our country. These include:

- Existence of domestic and foreign political stability in Uzbekistan;

- the formation of the legal framework for private property and the creation of a modern competitive environment;

- establishment of modern infrastructure in the country to support the investment process;

- favorable geographical location of the republic in Central Asia;

- priority given to the development of agro-industrial complex and the richness of mineral resources of the republic;

- availability of modern-minded high-potential workforce and labor resources;

- sufficient width of the volume of domestic markets for consumption.

We believe that in order to attract foreign and domestic investment in the activities of national producers in our country, enterprises must carry out the following important work.

The first is to have a long-term strategic plan for a long-term, well-thought-out business plan. It is necessary to develop a clear framework to convince investors that the capital they invest in the enterprise will be profitable in the future.

Second, any investor only finances investment projects of enterprises that they can trust. Investing in clandestine and risky

enterprises is tantamount to losing profits, so the creation of an economic rating of national enterprises on financial and economic activities should be high in this ranking of enterprises and firms in which the investor is interested.

Third, enterprises must operate in a transparent and open manner, tested in international practice. To do this, the financial and accounting documents must meet international standards, and the financial and economic documents of the enterprise must be regularly published in the open media.

It should be noted that the significant share of foreign direct investment in the development of the country's economy is a positive factor. This is because the fact that investors direct capital into the country's economy without state guarantees indicates that they have taken on all the risks (risks) that may arise as a result of operating in the national economy. The fact that 76% of all foreign investments in 2017 accounted for the share of direct investment, once again shows

that a favorable investment climate has been created in our country.

In this regard, it should be noted that the amount of savings formed in the domestic economy of the country depends on the volume of gross domestic product and the level of consumption. The practice of foreign countries, in particular, newly industrialized countries, Hong Kong, Singapore, South Korea, Taiwan, shows that the share of investments in the country's economy in the period of economic growth above 10% is 35-40% of gross domestic product (GDP). their significant volume accounted for the share of domestic investment.

In short, during this period, all citizens of the country, from the citizens of the country to the national economy, found it necessary to "tighten the belt", that is, to contribute to reducing consumption and increasing the share of savings.

In 2019, the share of direct investment amounted to 3.95% of GDP. It should be noted that this figure is almost twice as high as in 2016.

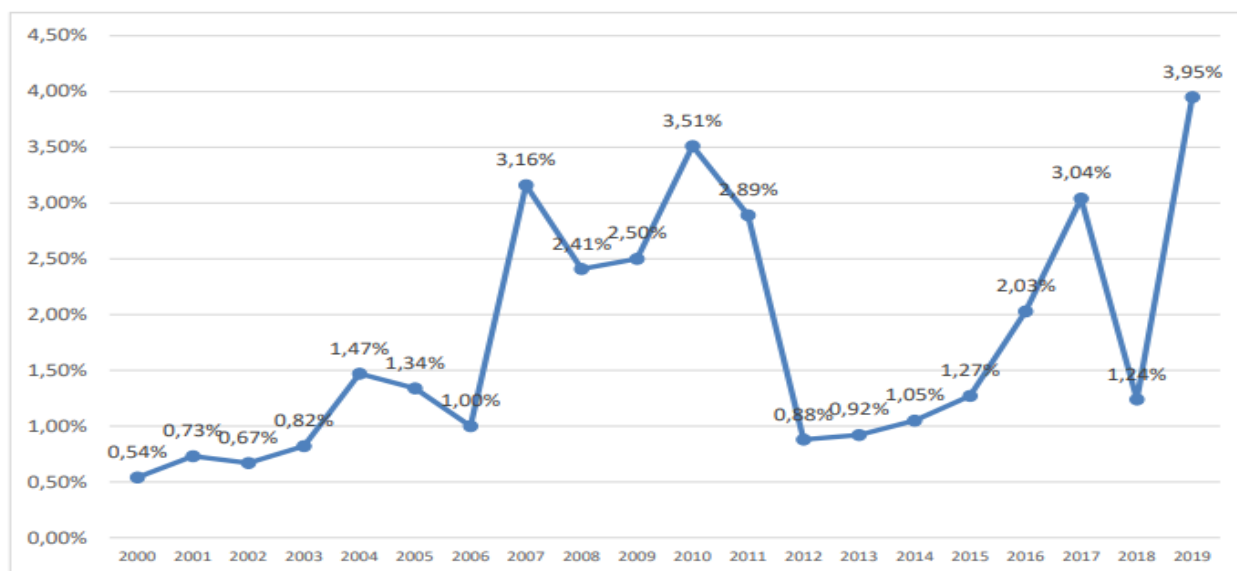


Figure 2. Direct investments in the economy of Uzbekistan, as a percentage of GDP [10]

However, as our country has set strategic goals for socio-economic development, it will be necessary to increase investment in the national economy to achieve them. This can be done, firstly, by increasing the volume of domestic investment, and secondly, by

attracting foreign investment to the national economy.

Conclusions and suggestions

We can conclude from the above that the investment of foreign investors in the national economy depends in many respects not only on the rating of enterprises or the

results of economic activity, but also on the geopolitical location of the country and domestic and foreign policy of the state. Foreign investors choose the most economically and politically stable countries to invest capital.

Therefore, all countries of the world, studied in international practice, try to do as much as possible to reduce foreign

investment risk and comprehensively protect the capital of the investor. In Uzbekistan, as in the above-mentioned countries, one of the important directions is to increase the attractiveness of the investment climate in the national economy, and now significant work is being done to attract and absorb foreign investment.

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