

THE IMPACT OF FOREIGN INVESTMENTS ON THE NATIONAL ECONOMY OF THE REPUBLIC AND ITS DEVELOPMENT

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Abstract: This article examines the importance of foreign investment in the development of the country's national economy and the problems of attracting direct foreign investment.

Foreign investment affects the national economy through the flow of capital, technology and jobs, which is especially important for resource-limited countries. Encourage investment in the creation of new competitive and innovative productions, expand and upgrade existing productions using modern technology. The influx of investment is often accompanied by the flow of advanced technologies and knowledge, which helps to develop technical infrastructure and improve production quality. Increased investment, especially in strategically important sectors, will stimulate production growth.

Foreign capital plays an important role in the development of the national economy, as well as solving some problems of the industry with foreign investment. As a key factor in the development of society, attention is paid to the issues of increasing the attractiveness of the country's investment environment and actively attracting foreign direct investment. To improve the efficiency of the activities of foreign direct investment and the investments of foreign investors were analyzed. Conclusions and scientific recommendations aimed at the development of its national economy were formed.

Key words. foreign investment, direct investment, analysis, development, finance, efficiency, economy.

INTRODUCTION:

The weakness of the competitive stages of the Republic and the shortcomings of economic policy in the field of attracting foreign direct investment are manifested in the small volumes of the flow of foreign direct investment into the country's economy, the dissatisfaction of the structures of the spheres and their distribution in regional and network unevenness.

Foreign investment is a broad concept, which our foreign and domestic scholars have explained as follows. Also, Dzhurbina E.M., Mityaeva O.A., Shvetsov S.A., Ilyashenko S.B., Yurchenko E.G., Gordyachkova O.V. [1,2,3,4), studies conducted in published literature sources confirmed the impact of foreign investment on the national economy of our republic and its development, but also the lack of a solution to its financial problems.

The author's research is by Arkhipov M. Yu., Nazarova V. V., Buslaeva O. S., Alekseev A.M., Kuznetsova I. V., Sharipov Sh.I., Abusalamova N. A., Ibragimova B.Sh. [5,6,7,8,9], and it is shown that it is based on the works of scientists.

The relevance of scientific research on the impact of foreign investment on sectors comes from the importance of these processes for the national economy. Attracting foreign investment occupies a special place in modern conditions, in the process of integrating the national economy into the world economy.

Studying the impact of foreign investment it is important to understand the positive aspects of their impact on the economy from a scientific point of view and implement them, which makes it

possible to develop strategies that take into account the benefits and risks associated with attracting foreign capital.

PROBLEM STATEMENT

The problems affecting foreign investment flows are the general uncertainty that exists in these markets. It is necessary to identify the problems necessary to attract foreign investment into the national economy of our country:

1. Among the unresolved problems in the national economy of the country are: the lack of interest of a scientific institution in the introduction of scientific developments; the government's attitude to business and the slowness of this situation; highlighting the lack of scientific products in the industry as a weakness; the slow development of research institutes than in rapidly developing countries.

2. Problems in science and education are one of the main causes of innovative disruptions in the Republic. The country's ability to develop innovation is determined by qualified personnel at its disposal: the presence of a very strong scientific and technical potential in the Republic; the lack of financial resources of a scientific institution; the departure of specialists abroad; finding opportunities for the rapid development of the national economy.

3. High value of products in the domestic market; insufficient protection of shareholders' rights and intellectual property; neglect of the interests of large public companies; compliance of accounting rules with international standards; not to pose a great risk for doing business in the country.

There is a significant difference in the volume of foreign investments in different industries, which are determined by the demand for products in domestic and foreign markets.

SCIENTIFIC SOLUTION

To solve the problems of attracting foreign investment to the national economy of the country, a serious state investment policy is necessary, which is a set of economic income and solutions that determine the size, structure and direction of the use of investments in the sectors and sectors of the economy. Recommendations for their elimination have been made for identified problems.

1. The introduction of scientific developments into production is the final stage of scientific research work. It is the transfer of scientific products to production in a form that provides a favorable and technical and economic effect for its implementation. The implementation process consists of two stages:

* Implementation of the experience in production. The scientific development is tested in the production process. The proposal for completed research and development work is considered by scientific and technical councils, and the proposals are sent by the ministry for practical use in production.

* Sequential implementation. After careful testing, new materials, designs, technologies, recommendations, techniques are introduced into serial production as elements of new technologies. At this stage, research institutes can participate in implementation, provide advice to implementing organizations, or provide small scientific and technical assistance.

2. The advantages of attracting foreign investments for the development of the economy of Uzbekistan; the implementation of new technologies, knowledge and experience; foreign investors are aimed at improving the competitiveness of the sectors, creating new jobs, contributing to improving the quality of products and services.

* Going to Global trade markets: improving the adaptation of business entities to civilized market relations; bringing production and financial and economic activities to relevant international standards.

3. Foreign investment will have a positive impact on small businesses in Uzbekistan, in particular, they will contribute to the development of high-tech production and the introduction of innovative technologies.

* Increase in the number of joint ventures: funds from foreign credit lines are spent on the purchase of equipment and technologies that allow the production of competitive products.

* Expanding the participation of small businesses in foreign economic activity. Foreign investment will help to increase the export potential of small enterprises and bring their products to regional and world markets.

* Creating new jobs. The emergence of new enterprises and the modernization of existing ones will help increase production activity and strengthen the economic base of the country.

* Promoting social development and improving the quality of life. Creating new jobs, modernizing infrastructure, and developing education will help improve the living standards of the population and create stable socio-economic conditions.

The integration indicator allows for a qualitative and objective assessment of the results of this work in each area and indicates areas for improvement [10].

To enter the market, foreign investors must create equal competitive conditions and reduce administrative barriers, after which the level of market competition increases and serves as an incentive for business development, and also allows the redistribution of labor resources from inefficient enterprises to more demanding and efficient sectors of the economy by market methods.

METHODS

When regulating foreign investment in the development of the country's national economy, it is recommended to divide the following methods into three groups: the first group, the method of attracting foreign investment; the second group, the application of the economic method to foreign investment; the third group is the methods of limiting foreign investment.

a) the method of attracting foreign investment, innovation contributes to the large-scale development of development, which can lead to a radical increase in the production of industries in our country. There are a number of promising solutions related to attracting investments in the spheres and networks: to stimulate the activities of companies and effectively establish their participation in the implementation of investment projects; to effectively implement the activities of innovation and investment funds; it is possible to determine the feasibility of investment projects in the industry; investment activities sufficiently activate the processes associated with insurance companies; activate the experience of entrepreneurs working with investment projects and increase their current knowledge; ensuring the establishment of regional centers for consulting, engineering, marketing and legal services; providing foreign investors with complete information about the investment environment in the region; the creation of conditions for direct investment, in order to increase the number of enterprises with foreign investment, as well as to reduce tax and customs rates for enterprises, has contributed to the development of modern industry.

b) when applying the economic method to foreign investment, it depends on how society acts in its own interests by encouraging investment decision-making. In practice, it uses a combination of this method of exposure to achieve investment goals. Economic methods include: dependence of investment activity on price, credit, currency and investment policy; setting refinancing rates; differentiating tax rates; tax incentives and discounts; land and natural resource tariffs and payment rates.

v) the method of limiting foreign investment, in addition to various methods of stimulating foreign investment, national legislation always has a system of state measures that limit the flow of foreign capital. In particular, the national security legislation establishes that in order to protect the national interests of the country, including maintaining and strengthening the potential of industries, the state exercises control over the state and use of the objects of the country's economy on the basis of guarantees issued to foreign investors. When concluding contracts for the use of the country's strategic resources, the requirements for ensuring national security are mandatory. It is not allowed to conclude international treaties that harm national security or cause the country to lose state independence and narrow the scope of the sovereign rights of the state.

Methods were used to promote the growth of the national economy, attract foreign investment, apply economic methods to foreign investment, and restrict foreign investment. These methods help to analyze trends, problems, factors and laws of the national economy, as well as regulate its development.

RESULTS AND EXAMPLES

Under the influence of stability and a favorable investment climate in our country, it is important to consistently develop foreign economic relations, attract foreign investment. Taking into account the real possibilities of attracting foreign investment, the concept of long-term development of the economy sectors should be developed and special attention should be paid to increasing the investment attractiveness of Regions.

The main goal of water sector investments in our country is to increase the investment potential of the water sector by increasing the interest of economic entities, improving the structure of financing sources, and establishing joint ventures with foreign countries [11].

The volume of foreign direct investment in the country in 2017, 2.2 mlrd US dollars, at the end of 2022, this figure increased by 1.5 times to 3.3 mlrd US dollars reached.

Analysis of the proportion of GDP per capita of the Republic of Uzbekistan in 2020-2023, the ratio of foreign direct investment and foreign direct investment to GDP.

Republic's projected foreign direct investments were in 2017, 1.80 billion US dollars, in 2018, 0.62 billion US dollars, in 2019-2020, 2.32 billion US dollars, in 2021, 1.73 billion US dollars, in 2022, 8.5 billion US dollars, and in 2023, 11.0 billion US dollars.

Attracting foreign direct investment into the country plays an important role in developing the agricultural economy and solving social problems.

The GDP per capita in 2023 was 29.3 million sum , or \$ 2,494. In this case, the year-long permanent population averaged 36,412,000 people.

The volume of GDP per capita in January-March 2024 amounted to 6 580.6 thousand soums (or 527.5 US dollars in equivalent) at current prices, and as of April, 2024, the permanent population of Uzbekistan was about 37 million people.

IPI index of investment attraction efficiency by region in 2023.

the main part of the samadority of attracting investments in the regions of the Republic is equal to 2.16% of Syrdarya region, 1.78% of Bukhara region, 1.51% of Jizzakh region and the lowest indicator 0.99% of Khorezm region, 0.96% of Navoi region, 0.93% of Fergana region, as well as the highest level on foreign direct investments and loans, 3.69% of Syrdarya region, 2.20% of Bukhara region, Jizzakh region 1.91%, surkhandarya region 1.66% and lowest level Samarkand region 0.91 % , Fergana region accounts for 0.88%, Khorezm region for 0.83%, and Tashkent city for 0.60%.

In 2024, the volume of exports in the agricultural sector in Uzbekistan reached almost \$2 billion. For the first time in 2023, 3.7 million tons of cotton and 8 million tons of grain were harvested.

It is reported that in the field in recent years, the interests of farmers and farmers have increased, products have increased, a cluster system has developed, high-performance technology and deep processing have entered, new varieties and Agrotechnology have increased. In particular, in 2024, production in the field increased by 4.1 percent to 426 trillion soums. Exports reached nearly \$ 2 billion. 152 thousand hectares of gardens and vineyards were built.

For the first time in 2023, 3 million 700 thousand tons of cotton, 8 million tons of grain were harvested.

The key step in improving the investment climate should be the creation of a complete and effective institutional framework through efforts aimed at creating conditions for attracting foreign direct investment.

CONCLUSIONS AND RECOMMENDATIONS

In the development of the industry, the following conclusions were formulated.

In conclusion, it can be said that, first of all, the role of foreign investment in the development of its national economy, the creation of an effective system of attracting foreign direct investment, the development of an investment-based national economy was justified by the need to develop a strategy. One of the most important factors is the promotion of investment activities in our country, the maximum provision of transparency, the orientation of foreign investment in the industry.

Recommendations for attracting foreign direct investment to the development of the industry include: promotion and promotion of foreign direct investment based on the study of factors affecting

industrial foreign investment; improve the legal framework and reduce barriers to foreign investment, as well as increase the transparency of the legal system, optimize the process of approving foreign direct investment; improve the quality and availability of financial information when entering the international market, as well as achieve the international market by improving industry management, advancing International Financial Reporting Standards and advanced international experience; develop agricultural infrastructure to facilitate foreign investment activities and ensure effective market operations; eliminate geopolitical risks, strengthen political and economic stability; increase investor confidence and help reduce uncertainty; attracting direct foreign investment in the financial system; a comprehensive approach to human capital and investment; providing additional tax and customs benefits to foreign investors to make the financial sector more attractive.

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