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THE ROLE AND ROLE OF INVESTMENT IN THE DEVELOPMENT OF THE COUNTRY'S ECONOMY

Zuhrali Tursunalievich Abdulkakimov*; Muslim Musurmonqul ogli Novrozov**

*Senior Lecturer,
 Doctor of Philosophy in Economics (PhD),
 Namangan Institute of Engineering and Technology,
 UZBEKISTAN

**Student,
 Namangan Institute of Engineering and Technology,
 UZBEKISTAN

ABSTRACT

This article develops ways to attract investment in the Republic of Uzbekistan, in particular, in Namangan region, to attract investment in accordance with the capabilities of each region, and at the same time prepares specific scientific developments, proposals and recommendations to identify existing problems in the field.

Keywords: *World Economy, Investment, Economic Growth, Engineering, Technology, Reconstruction, Competitiveness, Diversification, Free Zones.*

INTRODUCTION

Representatives of all sectors are deeply aware that the rapid development of the world economy is largely due to the inflow of investment into the country. It consists of developing ways to attract more investment to the economy of the republic, as well as foreign investment. All businesses feel the need for investment to start, expand and renew their operations. Investment is one of the main factors in the development of enterprises, ensuring economic growth in the country.

Therefore, given that almost every specialist and business entity understands that the future development of the Uzbek economy depends mainly on investment, today the wider attraction of investments into the economy of the republic, in particular foreign investment, is an important basis for their effective implementation of economic reforms. It is expedient to understand that. Attracting foreign investment to boost the country's economy, build new enterprises equipped

with modern machinery and technology or reconstruct existing ones will, first of all, solve the most important social problems such as economic development, employment, increase in wages and incomes.

Main part.

The logic of achieving the long-term strategic goal of economic development of our country requires the continuation of the policy of accelerated development of modern industries and industries based on structural changes and high technologies aimed at increasing the competitiveness and strengthening of Uzbekistan's position in the world market. It is the creation and rapid development of promising innovative sectors of the economy that will ensure the production of high-tech products with high added value on the basis of diversification of industries and rational use of available resources rich in raw materials and resources in the country.

To implement the above issues, a number of practical measures have been taken to attract large-scale investments in the country's economy and develop ways to use them effectively. In 2020, 114 billion soums will be spent in the Republic of Uzbekistan. USD investment projects have been implemented, in the 3rd quarter of 2020 1.8 bln. It is planned to implement investment projects in US dollars, of which 23% fell to the Russian Federation, 12% to the People's Republic of China, 2% to India, 9% to the US, 4% to Germany and the remaining 50% to other countries. If we analyze the breakdown of direct investments in the 3rd quarter of 2020 by sector, 48% to the energy industry, 6% to the chemical industry, 18% to the light industry, 14% to the automotive industry, 2% to the education sector, 12% corresponding to other areas. In the third quarter of 2020, investment projects worth 4.8 billion US dollars were implemented. To implement the above issues, a number of practical measures have been taken to attract large-scale investments in the country's economy and develop ways to use them effectively. In 2020, 114 billion soums will be spent in the Republic of Uzbekistan. USD investment projects have been implemented, in the 3rd quarter of 2020 1.8 bln. It is planned to implement investment projects in US dollars, of which 23% fell to the Russian Federation, 12% to the People's Republic of China, 2% to India, 9% to the US, 4% to Germany and the remaining 50% to other countries. If we analyze the breakdown of direct investments in the 3rd quarter of 2020 by sector, 48% to the energy industry, 6% to the chemical industry, 18% to the light industry, 14% to the automotive industry, 2% to the education sector, 12% corresponding to other areas. In the third quarter of 2020, investment projects worth 4.8 billion US dollars were implemented.

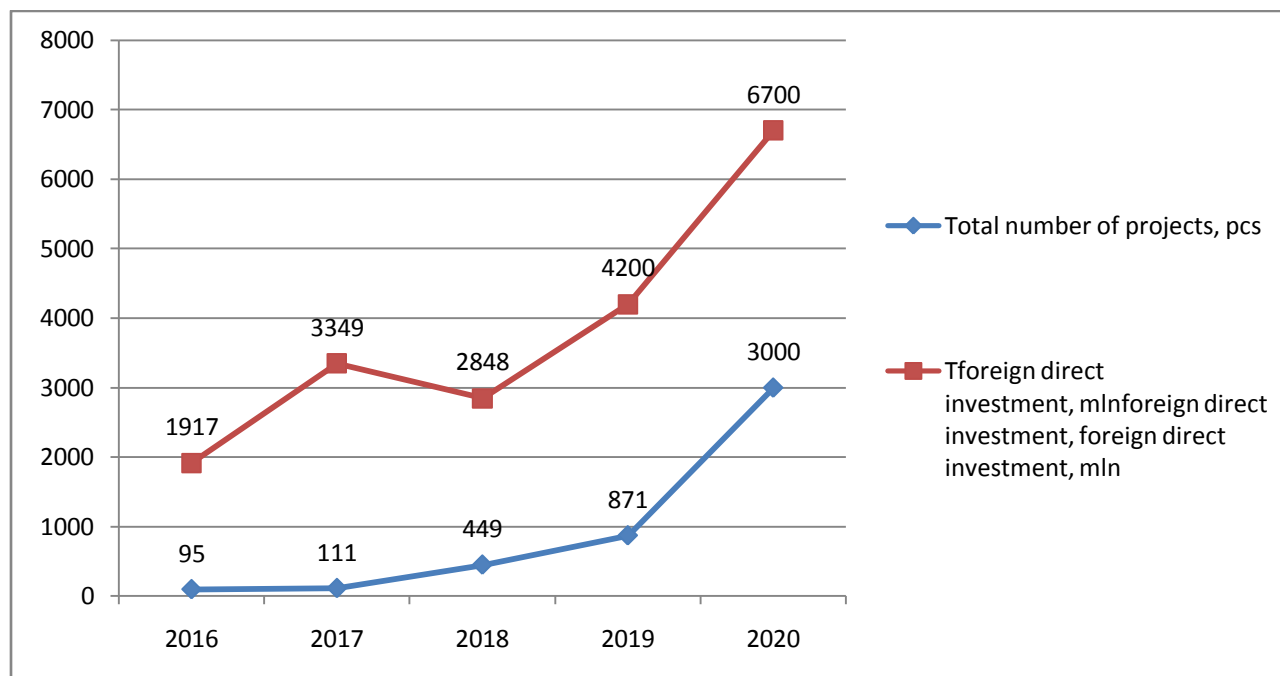


Figure 1. Dynamics of direct investment flows in the Republic of Uzbekistan (Number of implemented projects)

As can be seen from the picture above, the total amount of investments in the period from 2016 to 2020 increased from 95 to 3,000. Accordingly, 95 projects were implemented in 2016, 111 projects in 2017, 449 projects in 2018, 871 projects in 2019, and 3,000 projects in 2020 in the country's economy. At that time, foreign direct investment amounted to 1917 million US dollars in 2016, 3349 million US dollars in 2017, 2848 million US dollars in 2018, 4200 million US dollars in 2019, and 6700 million US dollars in 2020. Compared to the previous period, it increased by 4783 million US dollars. These projects include the organization of production of synthetic liquid fuels, construction of new, modern gas-chemical complexes for the production of polyethylene and polypropylene products, liquefied and compressed natural gas, production of mineral fertilizers and new types of chemicals based on modern energy-saving technologies, obsolete equipment. such areas as the rapid development of the energy sector through the replacement of modern steam and gas appliances. Modernization of production, technical and technological re-equipment, rapid renewal of the leading sectors of the economy will certainly be consistently pursued as the most important priority of economic growth.

RESULTS AND DISCUSSION

The main factor in this is the creation of a favorable investment climate in the country for the gradual implementation of structural changes. In order for the country's economy, especially industrial production, to develop and achieve economic growth, it is necessary to use investment funds wisely. During the COVID-19 pandemic in the world economy, the decline in economic growth in 2020 was around 5.2-8%, and economic activity in developed countries fell to 7% [15].

In this situation, the Republic of Uzbekistan has developed a set of measures to prevent crises during the pandemic and reduce its impact. According to the International Finance Institute (Asian Development Bank, ADB), economic growth in Uzbekistan will continue to slow and have a positive result, and according to the European Bank for Reconstruction and Development, economic growth will be +0.2% in 2020 and 4.5% in 2021. is predicted to be. According to the World Bank Group, economic growth in Uzbekistan is expected to be around 0.4% and 0.8%. The measures taken during the pandemic of the country's economy were as follows. 1.0 billion by the anti-crisis fund. The government provided direct assistance to 500,000 companies and 8 million people. In addition, \$ 230 million was provided to the economy. To further increase these economic indicators, the most important goal and the main priority of socio-economic development is to continue reforms, to modernize the production sector, to ensure high and stable rates of economic development, efficiency and macroeconomic balance. One of the typical sectors of the economy of Namangan region is sewing. Namangan is known for its tailors and is known for its investment attractiveness in the region's textile and textile industry. It can be seen that world-famous foreign companies have invested in Namangan region. These include: plum companies such as HUGO BOSS, ZARA, ZOLLA, FUN DA, INDITEX, Louis Vuitton, working in partnership with leading companies in the region. Also ART SOFT, UZTEX., AISHA, IDIAL D.MARETTI, IMIR, VAKKONI, for example, allow enterprises in the region to have their own well-known brands. Today, 59.5 thousand tons of yarn, 3 mln. pairs of socks, 57.7 thousand tons of knitted fabrics, 19.6 million sq.m. of fabric, 6.6 mln. has a production capacity of more than one piece of ready-made garments. As a result of the new projects, it is planned to produce and dye fabrics and fabrics, knitted fabrics, as well as ready-made export textiles and garments. Two cluster chains have been developed, covering a total of 11 projects worth 2.5 trillion soums, with an annual capacity of 1.4 trillion soums. soums. As a result, the budget receives 129.9 billion soums a year. soums, 12.7 mln. USD exports, 71 mln. USD worth of import-substituting products and creation of 3,920 new jobs.

In order to further expand the production of textiles and garments in Namangan region, it is planned to establish a free economic zone "Namangan Textile". A total of 323.7 hectares of land were selected from 5 regions of the region. In particular, 12.8 hectares of land were selected from the Ijodkor massif in Namangan, 10.0 hectares from the Ibrat massif and 100.0 hectares from the Yuksalish massif, 100.2 hectares from the Zabardast Gairat massif of Turakurgan district and 100.7 hectares from the Baland Adir massif of Chartak district. It should be noted that a targeted program is being formed to place import-substituting and export-oriented textile and knitwear, textile fittings and accessories, dyes and chemicals, process equipment and their parts and other products in the free economic zone. . It is also planned to implement 77 projects worth \$ 250.0 million in the Turakurgan and Chartak districts of the Namangan Textile Free Economic Zone, create 12,300 new jobs and generate an additional 50.0 billion soums to the budget. It is expected that more than 23.0 thousand jobs will be created, the export potential will be increased by \$ 200.0 million and the budget will receive an additional 120.0 billion soums.

CONCLUSIONS

Significant structural changes in the world economy in recent years, in turn, have played an invaluable role in the development of each country. Investing in innovations in foreign countries is one of the most pressing issues today. Based on the experience of the above foreign countries,

the state in the Republic of Uzbekistan also supports the use of investments, their orientation to the industry.

At the same time, the country is required to perform a number of tasks related to the use of investments. These include:

1. It is necessary to create scientific technopolises in the country, dealing with the investment opportunities and attractiveness of each region, and they should include science parks, technology parks, research centers, innovation and investment centers;
2. Development of innovation-investment integration based on the chain of links between "Production - University - Investment";
4. Development of the Investment Development Strategy of the Republic of Uzbekistan for 2021-2030, including the development of systems to encourage investment in the country's potential, the development of incentives to direct the private funds of the population, the creation of national brands based on high technology. "Accelerate development and promotion.

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