

EXISTING PROBLEMS IN ATTRACTING FOREIGN INVESTMENT INTO THE NATIONAL ECONOMY

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Abstract

It is known that foreign investment in financing the national economy has had a serious impact on the results of reforms in emerging economies. This is reflected in such economic outcomes as accelerating the pace of economic growth, ensuring macroeconomic stability, creating new jobs, and increasing the position of the private sector. In addition, foreign investment plays a positive role in optimizing expenditures on production, economic and social infrastructure, increasing export potential, generating additional revenues to the state budget, accelerating the integration of the national economy into the world economy.

Currently, there are some negative factors that worsen the terms of investment in the republic, including:

- low quality at all levels of investment management;
- ineffective use of received investment resources at regional and corporate governance levels;
- to bring inconvenience to investors through additional obligations.

There are also cases when foreign investors who want to carry out their work in the republic do not fulfill their obligations. There are also cases of non-fulfillment of obligations undertaken by foreign investors, including the failure to include timely contributions in the authorized capital of a joint venture, the lack of timely guarantees for the introduction and delivery of equipment, and the failure to make shortcomings and mistakes in the delivery and installation of equipment.

There are the following challenges in attracting foreign investment into the national economy:

- inadequate investment infrastructure in the regions - stimulating the activities of banks, investment funds, insurance and leasing companies and effectively establishing their participation in the implementation of investment projects;

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– insufficient business skills of entrepreneurs, including experience in working with investment projects and legal knowledge, to develop the organization and functioning of consulting, marketing and legal service centers in the regions;

– non-compliance of investment proposals and project feasibility studies with the established requirements – organization and permanent control by local khokimiyats of practical assistance to entrepreneurs in the development of investment projects by commercial banks, regional chambers of commerce and industry and other responsible bodies;

– lack of investment climate assessment agencies in the assessment of the country's investment climate, lack of qualified personnel in this area;

– insufficient foreign capital investments in underdeveloped regions compared to developed regions;

– in order to prevent the territorial monotony of investments, regions should be divided into three groups according to the level of development, creating greater interests and incentives for investors in underdeveloped regions.

Looking at the scale of the regions, no matter how high investment attractiveness is in the regions today, this cannot be considered effective enough for sustainable development of the economy. In general, the following can be cited as the main problems in attracting foreign investment:

– inadequacy of investment infrastructure;

– the lack of effective participation of commercial banks, investment funds, insurance and leasing companies in the implementation of investment projects;

– lack of a high-quality and demanding skilled workforce;

– insufficient business skills of entrepreneurs, including the experience and legal knowledge of working with investment projects - the lack of improvement of consulting, marketing and legal services centers in the regions;

– non-compliance of investment proposals and the feasibility and economic feasibility of the project with the established requirements, insufficiency of providing practical assistance to initiators in the development of investment projects by commercial banks, chambers of commerce and industry of regions and other relevant bodies;

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– the lack of active participation of local authorities in providing foreign investors with detailed information about the territory can be explained by the lack of creation of a web portal "Regional investment potential" for each region to provide foreign investors with full information (investment projects and business proposals, regional press releases, economic analysis, information on raw materials and labor potential).

The solution of the above-mentioned problems identifies the need to create an effective system for attracting foreign investment into the economy and on its basis develop important strategies, "road maps" and long-term concepts. The set of factors influencing the investment decision will vary depending on the industry to which the investor belongs, but attracting investors of all types and groups should include indicators that describe and serve the country's investment climate.