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# **Needs and Importance of Foreign Investments in the Economics of the Regions**

**KHamrayevaZilola ,SamadovOrtiq**

Karshi Engineering Economics Institute

**ABSTRACT:** The purpose of the article is to attract foreign investment in our country and to provide people with a prosperous life, as well as to create opportunities and conditions to avoid possible inconveniences with our foreign partners.

**KEYWORDS:** foreign investment, investors, public-private partnership, entrepreneurship, the global market , investment projects ,financial institutions.

## **I. INTRODUCTION**

It is well known that investment is one of the driving forces of the economy. In recent years, the attraction and use of foreign investments in the modern world has become increasingly important for each country. A worldwide system of public-private partnership is one of the most important

Factors in attracting investments. At the same time, the Government of Uzbekistan and our business community have paid sufficient attention to the fact that goods and services produced in partnership with foreign capital or developed countries are already playing a role in the free market economy.

How to attract investors to the regions and what conditions should be created for this? How to increase the level of trust in financial structures?

We can say that these questions have a positive response and we can say with certainty that this situation is continuing. For the purpose of creation of the most favorable investment climate for foreign investors, direct investments in the development of high-tech industries, the first President of the Republic of Uzbekistan dated April 10, 2012 The Decree of the President of the Republic of Uzbekistan "On additional measures to stimulate foreign investments attraction of foreign investments" the elaboration and approval of additional measures for conditioning is a clear indication of the attention being paid to this area in our country.

To date, the country has created all the regulatory and legal frameworks for attracting domestic and foreign investments and private entrepreneurship, but the implementation of investment projects in the regions is still inadequate or has not been completed. As the President of Uzbekistan ShavkatMirziyoev said, during a video conference dedicated to boosting investment projects on January 8,"The most important thing is to place investment projects correctly. The only requirement of investors is that the project site has the necessary infrastructure. More importantly, we can achieve systematic industrial growth by attracting investors to areas where infrastructure is present and accessible. Where there is industry, there will be jobs and income, housing, social facilities, and towns. ”<sup>1</sup>

At the initiative of the head of our state, 2019 is declared the Year of Active Investment and Social Development in our country. The 2019 Investment Program includes more than 3,000 projects worth \$ 16.6 billion. That's 16 percent more than in 2018. In particular, it is planned to put into operation 140 production facilities worth US \$ 3.2 billion under the Investment Program this year. As it was noted, as a result of active work with foreign countries and investors, 25% of total investments are direct foreign investments. In particular, this year it is planned to use \$ 4.2 billion within 320 projects with foreign direct investment. This year, commercial banks will attract a total of \$ 740 million direct loans from foreign banks, and \$ 2.7 billion from international financial institutions and donors under 84 projects. In addition, it is planned to build and repair 2,800 social and infrastructure facilities. Therefore, the development of regional investment programs in our country will have a positive effect on the deployment of productive forces, taking into account the specifics of regions and districts. The location of productive forces in a given region based on the natural conditions and national traditions of the regions will enable the development of the region's economy and increase of its incomes. It will, in the first place, allow the further development of traditional industries in these regions, and secondly, improve their skills, reducing the costs of training specialists required for production.

One of the most important issues on the agenda for any innovative enterprise is, of course, the search for funding sources. Credit sources, stock markets, venture capital funds and business angels (business angel) can be used



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as sources of financing. We believe that now is the time for our country to move to innovative economy and attract foreign venture capital funds and business angel to our country and Kashkadarya region. To do this, the Kashkadarya Regional Investment Authority joins international financial institutions, such as stock markets, venture capital and business angels in large developed countries, such as Alisher Usmanov in Namangan region, and large financial institutions operating abroad. It is advisable to use. According to the research, the economy is determined by the high technological development threshold and the ability of economic agents to carry out innovative activities. The more important the economy is to the upper limit of technological development (for example, the level of technological development of the United States), the greater the investment.

The following conclusions were drawn from the comparative indicators of public policy on investment in fixed assets in the Republic of Uzbekistan in the sector in Kashkadarya:

Over the past 5 years, investment activity throughout the country has been unevenly distributed. In the medium term, this could lead to an increase in regional economic disparities. Therefore, it is advisable to develop a targeted mechanism for implementing large and strategic projects at the expense of centralized investments in regions with relatively low activity in the development of integrated investment policy in the country.

Investments per capita in Kashkadarya region are 1.7 times higher than the national average. This is the basis for the region to be considered as a region with the highest economic potential. In turn, there is a strong concentration in some regions of the distribution of investment resources in the country.

Foreign investments in Kashkadarya region in recent years have been used to rehabilitate the Mubarek Gas Processing Plant, a major industrial enterprise, and to commission three new sulfur gas separation units. It requires strengthening of activities aimed at balanced attraction of foreign investments across promising sectors through the rational use of investment potential.

Some of the uncertainties in the legislation, underdeveloped infrastructure, weak involvement of local governments in the management of investment processes, limited investments by strategic sectors, and slowing the production of free resources of the population and enterprises are constrained to further investment activity in the region.

Investments in developing countries are of paramount importance, focusing on large and long-term projects. From this we can conclude that it is expedient to direct large-scale and long-term foreign investments into our country and Kashkadarya region.

As for the case of Kashkadarya region, each region is quite different from its natural conditions, traditional industries and the level of infrastructure. Each region has its own activities and production traditions.

For example, the residents of Koson, Mubarek, Chirakchi, Mirishkor, Guzar, Dehkanabad districts, since ancient times, have been rich in cattle breeding, sheep breeding and goat breeding. Obviously, cattle breeding in these areas is less costly than other districts, which can be explained by the climatic conditions of these districts, the large number of grazing areas in the district, the rich natural forage reserves and the many years of experience of the population in animal husbandry. From this we can conclude that, while the global market for natural products is in high demand, these regions produce meat, milk, wool and leather products, establish their processing enterprises, and provide greater government support to private entrepreneurs in those regions. It will also be an important factor in the economic growth of the country.

Due to the climatic conditions of the region, the residents of Kitab, Kasbi, Shakhrisabz, Yakkabag and Kamashi districts of the region have been engaged in gardening, vegetable growing and melon growing, therefore, taking into account their rich experience in the area, gardening, vegetable growing and gardening. establishment of enterprises for the production of melons and processing of products with low environmental impact and development of family business We think that there is conformity. In Nishan, Karshi, Mirishkor districts of the region and in some other natural and artificial reservoirs to establish fish farming and poultry products based on water content, as well as to support family entrepreneurship in these regions. We think it will be effective. In addition, it is a relatively low cost area to provide historic sites in Shahrhisabz, Kitab, Kasbi and Mirishkor districts, to create social infrastructure facilities for tourists, to create home hotels, to develop tourism, eco-tourism, agro-tourism. .

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To sum up, every financial source that enters the country with foreign capital contributes greatly to the economic development and welfare of our people. This is also directly related to the significant increase in the GDP in

recent years. That is why it is advisable to create favorable conditions for every investor who wants to increase the investment attractiveness of our country and adapt local infrastructure to modern requirements.



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