

PROBLEMS OF STIMULATING FOREIGN DIRECT INVESTMENT

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Abstract: *Ensuring economic growth and foreign investment is one of the main factors of the development of the economy. In recent years observed a boost in the process of investment in Uzbekistan. As it is known to us, for each state one of the main goals is to attract foreign investment. The role of foreign investment in improving the living standards of the population, achieving sustainable economic growth, implementation of structural changes in the economy is great.*

Keywords: *foreign investment, market economy, foreign investment, gross domestic product, foreign investors, the sphere of small and medium business.*

One of the main tasks of the development of the economy of our country is the improvement of investment activity and the development of new mechanisms that ensure its growth. The formation of investment activity and the involvement of foreign investors in the country is a rather complex process, which is necessary for all countries moving from an administrative-command economy to a market economy relationship. Because the management of investment activities and investments depends on many factors, consequently, some way of managing them is not clearly outlined in any literature in a separate, clear way.

The growth of the economy of Uzbekistan can be ensured, first of all, on the basis of the development of foreign investments and the movement of new progressive and competitive production, which is supported by modern technological equipment.

To encourage foreign investment in the period of transition to market economy, the state guarantees on every part of investment under which attracted and be used for targeted, direct investments foreign investors who bring their free functioning within

the framework of the law, maintain the coordination of the state in protecting their interests as the pitch is felt necessary to be natural. In this respect, from the first days of independence the country by the head of the foreign economic administration the tasks of the rapid formation of the complex of the system, the development of the relevant principles on foreign relations, integrated to classify on the world to identify independent directions were given. To solve these tasks, a single foreign economic policy and the development of conduct, in order to ensure the interests of insurance companies in the foreign market, was established as the Ministry of foreign economic relations in 1992. Also, the principles of priority identified by the head of state in attracting foreign investmen were established. This investment potential to serve as the basis of a growing economy from year to year included:

First of all, further liberalization of foreign economic activity in the field of policy and the interests of maintaining a clear goal;

Secondly, the increasing improvement of legal, socio-economic and other conditions that ensure the wide involvement of capital funds directly in the economy of the Republic;

Thirdly, to consistently conduct a policy of opening doors in the Republic in relation to foreign investors supplying world-class technologies, promoting the emergence of a modern composition of the national economy;

Fourth, the concentration of funds in the most important priorities that ensure the independence of the Republic and are associated with the production of competitive products.

Along with the above points, it is worth noting that the input of capital funds by investors into the national economy largely depends not only on the results of the rating or economic activity, but also on the geopolitical location of the country and its internal policy pursued by the state. Investors choose the most stable countries to direct capital funding.

At the same time, it should be noted that the amount of funds formed in the domestic economy of our country depends on the volume of the country's gross

domestic product and the level of consumption. The practice of foreign countries, in particular new industrial countries, Hong Kong, Singapore, South Korea, Taiwan, shows that during the period when the level of economic growth was recorded above 10%, the share of investments in the country's economy was 35-40% compared to gross domestic product (GDP), a significant volume of which corresponded to the share of domestic investment.

Therefore, all countries of the world try to perform work on reducing investment risk as much as possible. Like all countries in the world, several works are being carried out in our country to increase the attractiveness of the investment environment in the national economy.

In order to avoid a decrease in the investment norm in our republic, in our opinion, on the basis of the guarantee of the Government of Uzbekistan, it is necessary to attract international loans from international financial institutions in foreign currencies to the state budget and at the expense of these loans to finance the excessive investment costs of enterprises resulting from the increase in imports.

The sharp depreciation of the national currency sharply reduced the potential of enterprises to purchase equipment from abroad at their own expense. Because, in the total volume of sources of financing investments of enterprises in fixed capital, their own funds, according to the balance sheet, occupy the first place. In 2020, the base capital was 9065.4 crore. the investment in the sum was directed, of which 77.3% were attracted, and 22.7% were financed by enterprises and organizations themselves.

The results of a series of analyzes above show that we must overcome existing problems by introducing a series of positive, sustainable ways to further improve the investment environment we are studying and achieve economic stability. In addition, in order to increase the flow of foreign investment in the country's economy and foreign direct investment in its structure, the following activities should be carried out:

1. In order to improve the investment climate of the country and find a solution to the problems, with the participation of specialists of enterprises with foreign investment, specialist representatives of regional authorities, heads of large companies

and enterprises with the possibility of investment and mature scientists of the Republic, an open dialogue between the general public should be organized and the existing problems should be discussed. On this basis, it is necessary to develop and ensure the viability of a unified investment policy, scientifically and economically based among specialists, scientists and practitioners, as well as a mechanism for working in practice on the adopted laws and decisions, while attracting broad public opinion to the issue.

2. As one of the factors affecting the flow of foreign investment, it is observed that marketing research is being conducted weakly, as a result of which many manufactured products remain residual in warehouses. It would be advisable to consider this problem only in terms of raising the consumer capacity of the population and enterprises, increasing the level of healthy demand for manufactured goods and services, without looking for a solution, depending on the investment itself.

3. In the territorial structure of attracting foreign investment, unevenness remains. At the moment, the presence of the main problems in the regions regarding the investment environment is the limitation of investment opportunities, and is causing a decrease in efficiency, since the insolvency of financial problems in the investment environment causes certain regions to fall into the ranks of lame regions. At the moment, when we analyze the composition of investments in fixed capital by region, we observe their growth.

In making investments and foreign direct investments on the territory of the republic in its structure there are a number of problems:

- insufficient development of investment infrastructure to stimulate the activities of banks, investment funds and leasing companies and effectively establish their participation in the implementation of investment projects;

- insufficient business skills and legal knowledge of entrepreneurs, including experience and legal knowledge of working with investment projects - the creation and development of consulting, marketing and legal service centers in the regions;

- failure of investment proposals and project technical and economic foundations to meet the established requirements-organization and constant control of the provision

of practical assistance to entrepreneurs in the development of investment projects by commercial banks, Chamber of Commerce and industry in the regions and other responsible agencies;

-infrastructure problems, including interruptions in the supply of enterprises with electricity, natural gas, water and fuel products – the development and control of measures for the uninterrupted supply of electricity and natural gas to exporting enterprises;

-another important problem in the functioning of joint ventures is the stability and robustness of our national currency som. As our first president noted: "Today's most important task is to turn our currency into an energetic, prestigious currency in the world. It should have a high value and kata power. Ensuring the stability and increasing the value of the sum is a nationwide task. The well-being of all citizens in our republic depends on the resolution of this task.

In fact, professional project engineering companies that produce investment projects with foreign investment, all their documentation, technical economic basis at a qualitative and demanded level are small and not well developed, they are not provided with qualified personnel is also a serious problem.

The services provided by these companies are not on demand. They do not correspond to the conditions of foreign financial institutions, in the examination of which the unsubstantiated sides of the project-the shortcomings-remain visible. This is explained by the fact that the project documentation is not prepared fundamentally, there are inaccuracies in the calculations. Foreign investor funds are not selfless humanitarian aid that is given to small and medium-sized businesses. Therefore, it is necessary for each entrepreneur to feel in the place of a foreign investor when drawing up a financial plan of the project and, accordingly, correctly calculate and accurately release the forecast of the movement of funds. In other words, a foreign investor, like a domestic partner, places his funds in a certain area in order to make a profit after a certain period of time. If it does not achieve investment profitability, does not receive the intended profit from the project, then the interest of a foreign investor in the project will subside. This can negatively affect the opinion, attitude of other investors to the field of small and medium-sized businesses in our republic.

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