

## **Mechanismen der Investitionstätigkeit in Usbekistan: aktueller Stand und Analyse**

**Husanov D.N.**

Staatliche Wirtschaftsuniversität Taschkent Republik Usbekistan

**Anmerkung:** Der Artikel beschreibt den Stand der makroökonomischen Politik bei der Gewinnung von Investitionen in das Land, die zu ergreifenden Maßnahmen und die Verfahren zur Umsetzung rechtlicher, organisatorischer und wirtschaftlicher Mechanismen. Das Volumen der Investitionen in das Anlagevermögen nach Finanzierungsquellen wurde ebenfalls analysiert.

**Schlüsselwörter:** Investitionen, Investor, Investitionsprojekt, Investitionsumfeld, Mechanismus der Investitionstätigkeit.

## **Mechanisms of investment activity in Uzbekistan: current status and analysis**

**Husanov D.N.**

Tashkent State University of Economics Republic of Uzbekistan

**Abstract:** The article describes the state of macroeconomic policy in attracting investment to the country, the measures to be taken and the procedures for the implementation of legal, organizational and economic mechanisms. The volume of investments in fixed assets by sources of financing was also analyzed.

**Keywords:** investments, investor, investment project, investment environment, investment activity mechanism.

### **1. Introduction**

As a result of the economic reforms carried out in our country, investment policy in all spheres of the economy at the same time drew attention to the increase in investment potential by increasing investment activity in the regional economy.

The formation of a new investment climate in the Republic was carried out gradually. From the same point of view, we also consider it theoretically important to analyze investment activity in several stages according to the changes taking place in all sectors of the economy and the formation of market relations.

The emergence of a system that promotes the involvement of internal and external investments in the promotion of investment activity, the formation of a legal, organizational and economic basis, ensuring the increase in the activity of all sectors, has also led to changes in the structure of investment sources. Ultimately, the process of increasing the share of the enterprise's own funds, commercial bank loans and foreign direct investment was formed.

The concept of "investment activity" is inextricably linked with the concept of "investment process". In the economic literature, there are several definitions of this

term. For Example, E.M.Ilinskaya and T.P.Denisova describes the investment process as the creation of investment tokens in the form of finished or intermediate products. According to N.S.Kosov, as an economic category, the investment process manifests itself in the totality of the relations that arise between the participants of the investment sector at all stages, both in the production and social spheres, in connection with the support, improvement and subordination of the main and working capital.

U.And Sharp, considering the essence of the investment process, taking it in stages, distinguishes the following: the choice of an investment policy; the analysis of the securities market; the formation of a portfolio of securities; the review of a portfolio of securities again; the evaluation of the effectiveness of a portfolio of securities.

Dedicated to the analysis of the formation and implementation of the country's investment potential, F.S. The approach proposed by Tumusov is also worth noting. It is interpreted as a set of investment resources consisting of part of the collected investment, manifested in the form of investment demand in the investment market, capable of turning "investment potential" into Real investment demand, which provides for the satisfaction of the material, financial and intellectual needs of capital reproduction.

Investment potential in our opinion is determined by the country's openness to the penetration of investments and the availability of reserves of economic resources, their size.

### 3.Research methodology

Comparative analysis and induction and deduction evaluation methods were used in the article. The comparative method was used, analysis of data on tax benefits was carried out and scientific conclusions were made.

### 4. Analysis and discussion of results.

The first stage is the low cost of products and services in 1991-1994 years, the high inflation rate, the shortage of the state budget, the lack and lack of capital flows. During this period, the share of capital expenditure in gross domestic product decreased by 50%, respectively, from 18.7% to 15.5% of capital inflows. The volume of investment in the agrarian sector is 24.4%.

The second stage is reduced to 1995-2005 years. During this period, economic growth in the Republic began gradually. The share of investment in Yaim was 28,5% by mid-term, the share of capital investment in yaim was 8,6%, and the capacity growth in was 6.6%.

The third stage includes the period from 2005 year to the present. During this period, high growth rates of investments were observed. In yaim, the average annual

capital burn growth rates were 4.7% and the share was 21.1%, while Yaim's capital capacity growth decreased from 5.4% to 2.8%. As a result of the achievement of macroeconomic stability in the economy of the Republic, the volume of foreign capital attracted to the sphere of production was 86,2%, of which agriculture was 24,2%.

During this period, the liberalization of the economy led to an increase in investment activity in the private sector. Compared to 2000, the volume of decentralized investments has tripled, and their share in total capital investment increased from 45.8% in 2015 to 76.6%. The share of private investment in capital investment in 2015 reached 48.5%.

The changes in the investment process in the country are mainly due to the priority given to attracting investment in industry, agriculture and services, which are important in ensuring the sustainable growth of GDP. The state of the main socio-

Indicators	2015 y	2016 y	2017 y	2018 y	2019 y	2020 y	2021 y January -june
Investments in fixed assets - total, bln. sum	44810,4	51232,0	72155,2	124231,3	195927,3	210195,1	103055,7
The share of fixed capital investment in GDP, % yes	21,3	21,1	23,9	30,6	38,3	36,2	32,4

economic indicators of investment can be seen in Table 1.

1-table

#### The main socio-economic indicators of investment

According to Table 1, the share of investments in fixed assets in GDP in 2015 was 21.3%, and by 2020 increased by 14.9% and amounted to 36.2%. In January-June 2021, the share of investments in fixed assets in GDP amounted to 32.4%.

Data on the volume of investments in fixed assets in the Republic of Uzbekistan and the country are given in Table 2, according to which in 2010 this figure increased by 4.2% compared to the previous year, in 2015 by 9.4% and in 2019 by 38.1%. We can see that the interest rate has risen. In 2020, this figure dropped by 4.4 percent compared to the previous year. In January-June 2021, the volume of investments increased by 5.9 percent compared to the same period last year..

	2010y	2011y	2012 y	2013 y	2014 y	2015 y	2016 y	2017 y	2018 y	2019 y	2020 y	2021 y Januar y and june
The republic of Uzbekistan	104,2	102,6	110,6	111,3	109,8	109,4	104,1	119,4	129,9	138,1	95,6	105,9
The Republic of Karakalpakstan	63,9	163,4	113,5	170,7	145,8	133,5	56,2	60,4	169,9	100,3	69,9	100,8
regions:												
Andijan	94,6	120,9	118,9	94,6	100,7	105,1	102,4	114,3	113,7	129,0	110,6	98,6
Bukhara	73,6	84,8	100,3	105,7	101,0	98,7	120,8	154,7	60,6	95,9	104,7	150,1
Djizzakh	118,0	111,5	120,6	127,4	94,8	96,9	102,7	108,2	158,1	194,9	147,4	114,0
Kashkadarya	67,4	108,4	117,2	103,8	114,9	112,4	108,9	129,7	112,4	131,2	76,5	61,7
Navoi	248,6	71,0	103,9	93,9	94,1	90,7	144,1	107,4	188,0	144,3	77,1	91,9
Namangan	90,3	96,2	105,2	116,7	130,9	108,5	108,2	110,2	178,1	131,1	88,0	91,6
Samarqand	127,4	104,6	102,5	119,9	101,6	115,8	103,4	105,7	131,4	134,5	128,8	109,3

Surkhandaryo	95,8	104,8	107,9	123,2	96,5	110,3	107,6	148,4	164,2	144,0	77,4	126,2
Sirdaryo	153,9	121,2	93,3	107,5	104,2	97,9	107,9	115,4	131,0	186,0	111,2	156,1
Toshkent	104,0	118,7	79,0	144,0	114,8	99,3	87,0	118,4	139,9	158,5	92,2	116,2
Fergana	107,3	122,7	110,1	124,2	94,0	98,7	97,1	98,6	145,9	132,0	113,5	112,7
Khwarzm	133,8	134,5	114,9	137,3	110,8	87,2	97,8	128,5	111,7	150,7	92,7	141,0
Tashkent city.	147,6	94,5	137,1	82,3	108,0	102,3	119,5	121,4	138,2	145,8	108,6	117,1

Investments in fixed capital, (growth rate, in%))1

The increase in the country's investment activity is determined not only by economic regulators, preferences and the creation of favorable conditions for local and foreign investors, but also by the level of improvement of the activities of the infrastructure complex facilities providing services to business entities and the organization of investment processes.

Economic and financial incentives and measures to support investors provide a temporary effect. World experience has shown that the inherent characteristics of entrepreneurship, including the high level of risk, when the period of the introduction of any incentives is over, lead to a decrease in investors' willingness to continue their further activities in order to attract the economy to other sectors. In the next 20 years, China, despite the introduction of a wide system of taxes, gratuities, BOCS and other benefits for the country's economy, although it gave its effect in its early stages, in later periods, the costs on benefits began to be higher than the received effect. Therefore, by abolishing these benefits in China, the main focus was on the policy aimed at the establishment of market economy institutions and the comprehensive support and improvement of their activities.

Taking into account the fact that in the economy of the country the use of "temporary samara" methods, the financial situation of the network in the conditions of economic liberalization, the organization of new economic forms and the limitation of internal opportunities for the formation of investment activities, this stage will serve as an important factor for the expansion of investment potential and, increasing the investment attractiveness of entrepreneurship, which has a stable character by focusing kuchaytirishga institutional and organizational measures that give the main attention to the "long-term effect", will achieve an increase in its activity as a result of ensuring the development of its scientific and practical potential.

The picture below shows the country's investment activity mechanisms reverse induced.

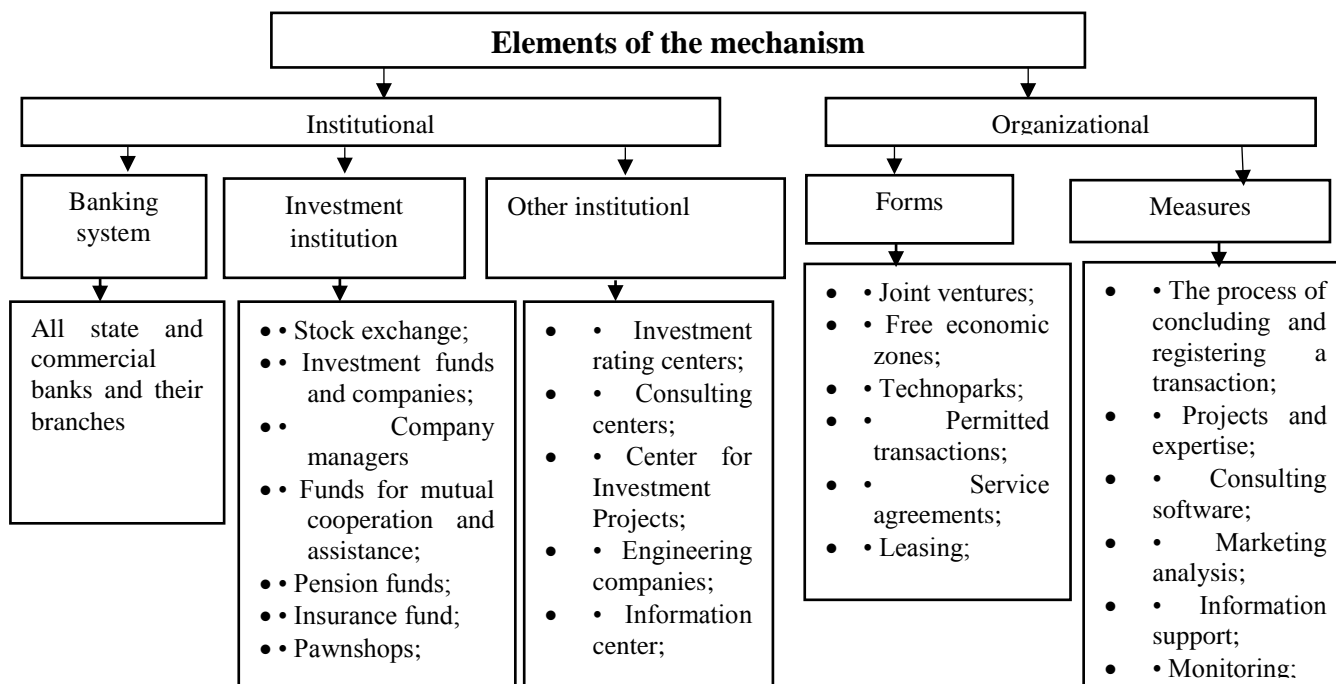


Figure 1. Mechanisms of investment activity in the country.

In order to increase investment activity in the country and form a favorable investment activity, it is necessary to positively address the following tasks.

- creation of effective market mechanisms for directing capital to sectors of the economy with a high level of capital supply to areas with a lack of capital;
- Development of institutional market infrastructure, which will ensure the attraction of capital for investment in sectors of the economy;
- formation of investment markets in the regions, attracting and directing capital investment in the production investment of the population, farmers and small businesses and private entrepreneurship;
- development of the banking system serving the country and increasing their capitalization;
- Improving the organizational forms of attracting investment;
- Improving the participation of the state and investors in the implementation of projects in the regions in the justification and adoption of ideas;
- organization of information-consulting and marketing support of investments, etc.

Mechanisms for attracting, accumulating, using investments in the country and institutional elements of development in other sectors are underdeveloped. Such institutional conditions for investment are suitable for all countries transitioning to a

market economy. their share is 5-10%. Other funds are distributed through banks and special credit institutions at all levels.

The analysis of the role of the countries with a large share in the country's foreign trade shows that the countries with a large share in the country's foreign trade are mainly China, Russia, Kazakhstan, the Republic of Korea, Turkey and Germany. In the republic's foreign trade turnover, China accounted for 16.9% in 2016, while in 2020 this figure increased by 2.1% to 19%. (Table 3)

3-table

The role of the Republic in the trade turnover of the countries with a large share in foreign trade turnover, in%

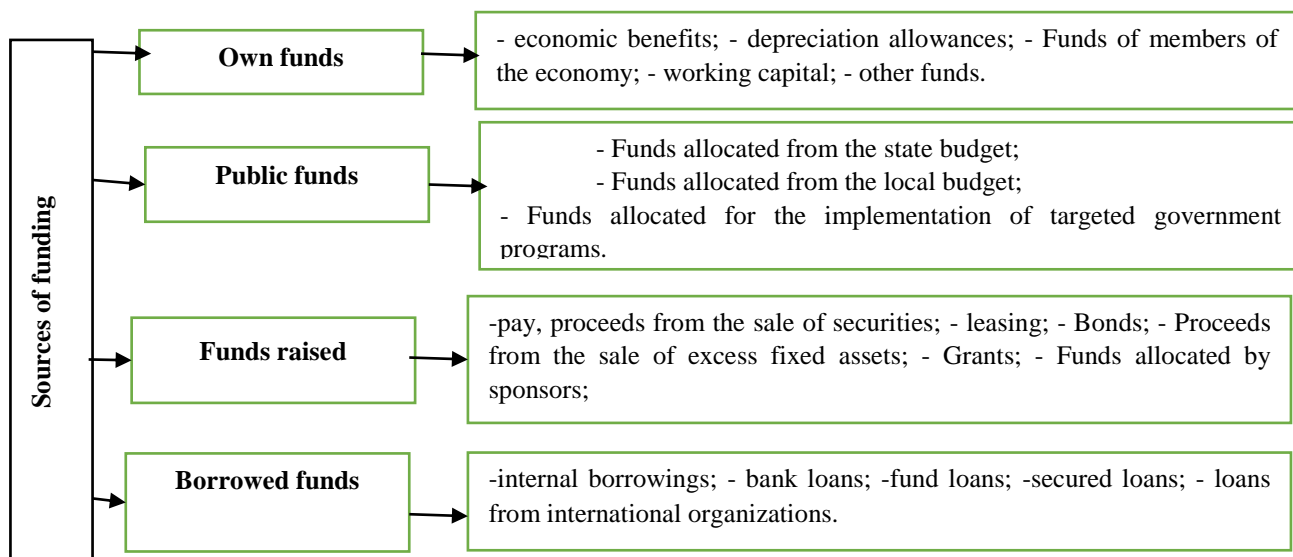
Countries	2016 y	2017 y	2018 y	2019 y	2020 y
China	16,9	19,9	17,2	18,5	19
Russian	21,8	17,5	17,2	17,9	16,9
Kazakistan	12,6	12	8,6	7,7	8,9
Republic of Korea	7,2	6,8	4,2	5,1	6,3
Turkey	5,4	4,7	4,8	5,7	6,4
Germany	2,4	2,1	2,1	2,3	2,3
Afganiztan	2,1	1,8	2,2	2,3	1,8
Iran	1,3	1,5	1,7	1,2	0,9
Ukraine	2,2	1,3	1	1,1	1,3
Turkmenistan	1,5	1,3	0,9	0,7	0,9
India	1,1	1,3	1,5	1,2	0,8
France	1	1,2	1,1	0,9	0,9
USA	1	1	1,8	0,8	1,2
Another country	23,5	27,6	35,7	34,6	32,4

In the foreign trade turnover of our country, Russia accounted for 21.8 per cent in 2016, while by 2020 this figure decreased by 4.9 per cent and amounted to 16.9 per cent. If the country of Kazakhstan accounted for 12.6 per cent in 2016, respectively, in 2020, decreased by 3.7 per cent, amounted to 8.9 per cent.

In the conditions in which priority is given to entrepreneurial activity in the sustainable development of economic sectors of our country, it is necessary, first of all, to develop the formation of their investment potential, as well as to provide state support at the initial stages of its development. To do this, it is necessary to organize the formation of investment potential sources in this area, investment process



investment climate, investment attractiveness, investment activity on the basis of market principles that determine the composition and amounts of investments, as well as to improve the investment policy, which includes measures to develop and pay off investment risks.



Our study shows that the activities of forms of entrepreneurship in the conditions of liberalization of the economy, when they increase direct investment activity to the top of their position, due to their interests, they are required to identify and substantiate the sources of financial provision of their activities. This process is carried out at the macro and micro level, indicating that the provision of their interaction is an important factor in the country's investment activity.

Figure 2 sources of financing of investment activities.

No matter how much improvement has been made in the state of macroeconomic policy, the measures to be taken and the legal-organizational-economic measures to attract investments to our country, there will be no possibility of achieving efficiency in the investment activity of direct farms in the microdark unless the level of specialization, state of production at the regional level is fully. Therefore, since the specific, natural-economic, location, specialization and social conditions of the regions are different, it is also necessary to analyze the sources of financing with their investment funds. (Table 4)

Investments in fixed assets by sources of financing, in percent 2

	Enterprises and the population's own means	Funds received	from them:			Enterprises and the population's own means	Funds received	from them:			Enterprises and the population's own means	Funds received	from them:		
			State budget	Bank loans and other borrowings	Foreign investments and loans			State budget	Bank loans and other borrowings	Foreign investments and loans			State budget	Bank loans and other borrowings	Foreign investments and loans
	2018 year					2019 year					2020 year				
Republic of Uzbekistan	42,0	58,0	4,5	17,8	24,3	29,3	70,7	9,0	13,8	43,6	40,8	59,2	6,8	7,6	42,7
The Republic of Karakalpakstan	37,9	62,1	3,0	14,1	23,7	34,3	65,7	15,3	7,1	36,9	39,1	60,9	12,1	7,7	38,9
Regions:															
Andijan	47,8	52,2	4,1	25,7	14,8	38,2	61,8	8,6	12,3	39,6	47,6	52,4	6,3	8,7	36,3
Bukhara	35,5	64,5	2,4	13,9	44,0	28,9	71,1	7,1	9,1	53,9	38,3	61,7	5,8	7,4	48,2
Djizzakh	44,3	55,7	9,4	26,8	8,7	22,5	77,5	10,8	15,6	48,8	20,9	79,1	5,5	9,3	61,9
Kashkadaryo	33,6	66,4	1,9	6,3	51,1	22,2	77,8	3,7	3,0	70,3	21,6	78,4	3,6	3,8	69,3
Navoi	37,1	62,9	0,7	6,0	34,0	15,7	84,3	2,8	22,1	39,9	25,8	74,2	1,9	2,3	67,8
Namangan	29,7	70,3	2,8	15,7	33,5	29,4	70,6	4,9	15,9	45,8	41,9	58,1	5,9	14,3	37,2
Samarkand	57,5	42,5	2,7	27,1	4,7	38,5	61,5	12,1	20,0	27,8	53,0	47,0	8,0	10,7	27,0
Surkhandaryo	34,9	65,1	3,2	28,9	21,4	15,7	84,3	5,8	11,1	66,3	23,7	76,3	7,5	7,6	60,1
Sirdaryo	34,9	65,1	9,6	36,1	9,6	20,4	79,6	10,5	22,4	44,8	29,9	70,1	7,8	11,2	48,7

<sup>2</sup> www.stat.uz - Developed by the author on the basis of the website of the State Statistics Office of the Republic of Uzbekistan.  
 10.5281/zenodo.5787446

Toshkent	51,0	49,0	3,4	20,7	9,6	38,6	61,4	11,5	16,2	26,0	51,6	48,4	9,6	8,8	26,7
Fergana	46,1	53,9	3,6	22,9	19,4	34,7	65,3	8,1	13,7	42,7	43,3	56,7	7,6	7,0	41,3
Xorazm	49,1	50,9	5,0	25,0	8,5	32,8	67,2	9,5	13,6	42,5	41,2	58,8	8,5	14,5	32,0
Tashkent city.	49,7	50,3	6,0	20,3	15,1	36,6	63,4	7,6	16,1	36,7	54,0	46,0	6,8	6,1	29,9

In the process of the development of enterprises, investment activity from the above four sources is mainly provided to the account of government funds and borrowed funds, while own funds and funds attracted from abroad are kept at a low level due to poor solvency and limited opportunities in the economic activities of direct farms. In strengthening the investment potential of business entities, their sources of their own funds create a period in which a certain period of time will be necessary to multiply the accrued profit, depreciation deductions and other internal funds and reduce their debts, and ensure the continuity of the repeat production process.

### **CONCLUSION**

Analysis of data obtained as a result of the research showed that the system of measures with a wide coverage for the solution of existing shortcomings and problems in investment processes in the Republic should be developed and introduced into practice. Taking into account the current investment activity and attractiveness of our country, we consider it desirable to carry out these activities in the following directions.

- \* To determine the priority areas of attraction of investments to economic sectors based on Real conditions;
- \* providing the investment process with a system of scientific and practical based assessments;
- \* implementation of preferential credit, tax and amortization policies;
- \* implementation of development of investment projects at the regional level, taking into account the full range of Real characteristics of the economy;
- \* improvement of development of business plans in the organization of entrepreneurship, justification of investment activities in it and determination of sources of financing.

In order to increase investment activity and its effectiveness, the above-mentioned measures play an important role not only in achieving high efficiency in attracting investments to the economy, but also in the economic, social and environmental aspects, because, above all, economic, social and environmental forecasts should be based. Therefore, investment programs and projects to be developed within the framework of both countries should be aimed at economic, social and environmental goals.

Ultimately, the investments attracted to our country not only lead to increasing the efficiency of production in the network, achieving sustainable development, but also to producing environmentally friendly and quality products, increasing the export potential, filling the domestic and foreign markets with quality and competitive products, as well as improving the environment.

### Reference:

1. Decree of the President of the Republic of Uzbekistan. On the Action Strategy for the Development of the Republic of Uzbekistan. February 7, 2017. No. PF-4947 // People's speech, February 8, 2017.
2. Eklund Klas. Effective economy: Swedish model. Ekonomika dlya nachinayushchix i ne tolko dlya nix ... / K. Eklund. - M. : "Economics", 1991. p.-349.
3. Berner i Kolli. Tolkovyy ekonomicheskii i finansovyy slovar. M 1994. p 564.
4. Sharp U., Alexander G., Beyli Dj. Investitsii. Per. S ang.- M infra, 2000.
10. Mixaylova E.V. Finansovye rynki i ix formirovanie v SSSR.-SPB .: SPUEiF, 199
5. Abalkin L.I. The logic of ekonomicheskogo rosta. -M .: RAN Institute of Economics, 2002. p. 228.
6. Margolin. A. M. Investitsii. M .: RAGS, 2006. p. 464.
7. Bard V.S., Buzulukov S.N., I.N.Drogobytskiy. Investment potential of the Russian economy. –M .: Izdatelstvo «Ekzament», 2003. S.320.
8. Igonina L.L. Investment. - M .: Economist, 2005. p.25.
9. G.E.Igolnikov, E.S.Patrusheva. Chto ponimat konkurentosposobnostyu, investitsionnoy konkurentosposobnostyu, investitsionnoy privlekatelnosti i ekonomichnostyu proizvodstva Rossiyskie ekonomicheskii zhurnal. - M, 1995. №11.
10. Zavlin P.N. Evaluation of the economic efficiency of investment projects (modern approaches). SPb .: Nauka, 1995. - p.30.
11. Tumusov F.S. Investment potential region: Theory, problems, practice. –M .: Ekonomika.1999. Page 13
12. Vakhobov A.V., Khodjibakiev Sh.H., Muminov A.G. Foreign investment. Textbook. – T: "Finance", 2010.
13. Gozibekov D.G., Qoraliev T.M. Organization and regulation of investment activities.-Tashkent: Matbuotchi 1993 (p. 6)
14. Haydarov N.H. Issues of improving financial and tax relations in the investment activities of enterprises in the context of economic liberalization. Dissertation for the degree of Doctor of Economics. - T: .2003. 29 p.