

Investment Policy, Its Role In Modern Conditions

Gafurova Umida Fatikhovna

PhD, Associate Professor of Tashkent Financial Institute

Abstract

The level of development of a country, its independence and international position are largely determined by the scale of investments made and the efficiency of their use. Today, an important lever of influence on the business activities of business entities and the country's economy is investment policy, which determines the relevance of this topic. Achieving the pace of development of social production, as well as the efficiency of the entire national economy in order to obtain the greatest increase in product and increase national income depends on the implementation of a competent investment policy. This work defines the essence and role of investment policy in modern conditions, highlights the main characteristic features of investment policy in the country, and reveals potential benefits for investors.

Keywords: investments, investment policy.

Introduction:

The investment policy of the state is understood as a set of targeted measures carried out by the state to create favorable conditions for all business entities in order to revive investment activity, boost the economy, increase production efficiency and solve social problems. Achieving the pace of development of social production, as well as the efficiency of the entire national economy in order to obtain the greatest increase in product and increase national income depends on the implementation of a competent investment policy.

The state's investment policy is a set of interrelated goals and measures to ensure the required level and structure of investment in the country's economy and its individual spheres and industries, increasing the investment activity of all main agents of reproductive activity: the population, entrepreneurs and the state. Simply put, investment policy is the activity of the state aimed at finding sources of investment and establishing rational areas for their use. Investment policy is associated with the creation of conditions for attracting domestic and foreign investment, primarily in the real sector of the economy. Investment policy as part of financial policy is implemented at different levels of government and financial management of business entities.

The purpose of investment policy is the implementation of the strategic plan for the economic and social development of the country. But in any case, the ultimate goal of investment policy is to revive investment activity aimed at boosting the domestic economy and increasing the efficiency of social production and the quality of human capital.

In addition to state investment policy, there are sectoral, regional investment policies and enterprise investment policies. All of them are closely interconnected, but the determining factor is the state investment policy, since it creates conditions and contributes to the activation of investment activity at all levels.

The purpose of the state investment policy is to:

- ensuring structural restructuring of the economy;
- stimulation of entrepreneurship and private investment;
- creation of additional jobs;
- attracting investment resources from various sources, including foreign investments;
- stimulating the creation of non-state structures to accumulate the population's cash savings for investment purposes;
- creating legal conditions and guarantees for the development of mortgage lending;
- development of leasing in investment activities;
- support for small and medium-sized businesses;
- improving the system of benefits and sanctions during the investment process;
- creating conditions for the formation and development of venture investment.

Attracting foreign capital to developing countries can be divided into several stages.

At the first stage, until the country has gained international recognition, attracting capital is mainly possible through international financial organizations and foreign governments in the form of financial assistance, guarantors and soft loans, which are usually short-term in nature.

Subsequently, as these organizations complete an economic assessment of the country, they begin to provide loans to finance specific projects on a long-term commercial basis. Active cooperation with international organizations is an important milestone for the further increase in attracted capital, since the adoption of decisions by international organizations to provide loans to a country serves as a signal to both the government authorities of creditor countries and private investors about the possibility of investing in a given country.

At the second stage, investments become available, supported by state export insurance agencies, which provide commercial loan insurance for private investors under government guarantees of the recipient country. The assessment of the possibility of providing such insurance is carried out by the authorized bodies of the relevant states (ministries of finance, economy, foreign trade) based on the study of research materials from international financial organizations and their own research into the economy of the recipient country. Based on these studies, each recipient country is assigned an appropriate rating, which determines the terms, conditions of insured loans and the maximum amount of insurance coverage for the country as a whole. Initially, such loans are provided on a short-term basis, and subsequently, as economic indicators improve and the country's credit history is formed, long-term loans become available.

At the third stage, commercial loans from private investors without government guarantees become available on the terms and principles of project financing.

Today, Uzbekistan has entered the third stage of attracting investments. The World Bank and the International Monetary Fund have completed studies and approved strategies for their assistance to Uzbekistan; all leading export and insurance organizations provide insurance for long-term loans provided to Uzbekistan; a number of projects are being implemented and are in the development stage, which will be financed on a commercial basis on the principles of project financing.

Today, the investment legislation of the Republic of Uzbekistan is one of the most advanced in the legislative system of the CIS countries, having absorbed the main provisions of international investment law, in particular, provisions on guarantees of the rights of foreign investors, the provision of significant preferences for investors, and others.

But at the very beginning, in conditions of an acute shortage of resources for investment, it was very important to develop a flexible and long-term investment policy. And such a step was taken: the leadership

of Uzbekistan radically changed the direction of investment policy - not from investments to priorities, but from priorities to investments. Initially, it was clearly defined which sectors needed to be developed, first of all, in order to purposefully stimulate the influx of investment in them.

For these purposes, a number of interdependent economic and organizational measures were carried out, which, as experience shows, do not contradict the concept of building a market economy, which provides for the use of economic mechanisms in the formation of investment funds for the development of priority areas. The measure of state participation in the economic regulation of investment activities was also determined. It was based on the dual function of the state in implementing investment policy. On the one hand, the state creates a favorable economic environment through the adoption of relevant legislative acts, and on the other hand, it functions as the owner of a complex of production and economic structures and itself makes investments in their development.

State regulation of investment activities in the Republic of Uzbekistan is carried out through the tax system, depreciation policy, a system of grants, subsidies for individual enterprises, credit, pricing policies and many others.

At the same time, the financial and credit mechanism should pursue the elimination of monopolism in various industries and areas. Since today in the capital market demand exceeds supply, the borrowing party must take into account not only its own tax policy, but also the attractive conditions of other countries.

Foreign investment plays an important role in helping transition countries evolve to market economies. It is this circumstance that is of particular interest to us. Let us dwell on what are the most important tasks facing the economy of our republic that can be resolved with the help of foreign investment.

1. Attracting additional investment capital.
2. Access to advanced technology.
3. Access to advanced management techniques.
4. Improved access to the world market.

The main task of the state is to create favorable conditions for capital investment. Our country has everything it needs to attract significant foreign investment:

- a formed legislative framework that defines the legal framework for entrepreneurship, protection of private property and competition;
- created infrastructure to support the investment process;
- political stability;
- favorable geographical location;
- rich mineral resources, as well as the potential for development of the agro-industrial sector;
- qualified labor resources;
- a fairly capacious sales market.

The investment legislation of the Republic of Uzbekistan is one of the most advanced in the legislative system of the CIS countries, incorporating the main provisions of international investment law, in particular, provisions on guarantees of the rights of foreign investors, the provision of certain preferences for investors and others. The basis of legal regulation in the field of attracting foreign investment in the Republic of Uzbekistan is:

- Law "On Foreign Investments";
- Law "On Investment Activities";
- Law "On guarantees and measures to protect the rights of foreign investors";
- The Law "On the Protection of the Rights of Investors in the Securities Market", as well as a number

of regulations adopted in the form of decisions of the President of the Republic of Uzbekistan and government regulations.

Foreign investments on the territory of the Republic of Uzbekistan recognize all types of tangible and intangible benefits and rights to them, including intellectual property rights, as well as any income from foreign investments invested by foreign investors in objects of business and other types of activities not prohibited by law, mainly for the purpose of generating profit (income).

Foreign investors are provided with a number of guarantees for their activities on the territory of the republic: stability of legislation for 10 years, foreign investments and other assets of foreign investors in the Republic of Uzbekistan are not subject to nationalization, free transfer of funds in foreign currency to and from the Republic of Uzbekistan, without any - or restrictions, the income of a foreign investor received in the Republic of Uzbekistan can be reinvested in the territory of the Republic of Uzbekistan or used in any other way, at the discretion of the foreign investor, return of foreign investments in connection with the termination of investment activities, insurance protection and guarantees against political and other risks Law Republic of Uzbekistan "On Foreign Investments".

An important role is played by the accession of Uzbekistan to the international legal system. The Republic has acceded to such international documents as the Washington Convention on the Procedure for Resolving Investment Disputes between State and Foreign Entities, the Seoul Convention on the Establishment of a Multilateral Investment Guarantee Agency (1985). Uzbekistan has concluded many intergovernmental agreements on mutual protection and encouragement of capital investments, signed agreements on the avoidance of double taxation, partnership and cooperation. According to experts, the laws and regulations adopted in the Republic create an integral system of tax benefits, incentives and guarantees against political and commercial risks , favorable framework conditions for the active participation of foreign firms and companies in the markets of Uzbekistan.

In order to provide closer support and assistance to foreign investors, a network of specialized organizations and institutions has also been created in Uzbekistan - the Foreign Investment Agency, the Chamber of Producers and Entrepreneurs, and the National Export-Import Insurance Company "Uzbekinvest". The joint political risk insurance company Uzbekinvest International, headquartered in London, is actively operating. A leasing company was formed, the founders of which are the International Finance Corporation, the European Bank for Reconstruction and Development, Malayan Bank Berchard (Malaysia) and the National Bank for Foreign Economic Affairs of Uzbekistan.

In the Republic of Karakalpakstan, regional khokimiyats and the city of Tashkent, permanent working groups have been created to coordinate the creation and activities of enterprises with foreign investment. Investment policy in the republic is implemented through annually adopted State Investment Programs.

Promoting the economy's entry into a sustainable growth trajectory through the priority development of sectors and industries, including increasing the competitiveness of industry through the effective use of investment resources.

The objectives of investment policy depend on the goal set and the specific economic situation in the country.

These include:

- selection and support for the development of individual regions and sectors of the economy;
- support for the development of small and medium-sized businesses;
- ensuring balanced development of economic sectors;

- implementation of the housing construction program in the regions;
- stimulating the development of export production;
- achieving constant and uniform economic growth;
- ensuring the competitiveness of domestic products, etc.

The mechanism for implementing the state investment policy includes:

1. selection of sources and methods of financing investments;
2. determination of deadlines and bodies responsible for the implementation of investment policy;
3. creation of a regulatory framework for the functioning of the investment market;
4. creating conditions for attracting investment.

Each state independently determines the principles of investment policy based on the current political and economic situation in the country. From this we can highlight the following principles, typical for most states:

- compliance with the rule of law at all stages of investment activity, which consists of adopting the necessary laws and regulations that will fully ensure the implementation of investment processes in the country;
- openness of information on the formation and implementation of state investment policy;
- freedom to choose investment objects, that is, investors have the right to independently choose assets for their own projects;
- guarantee of implementation of investment decisions;
- providing state support to enterprises, mainly through lending;
- large-scale and strategically sound attraction of innovative technologies into the economy;
- voluntary and mutually beneficial cooperation within the framework of the ongoing investment policy on the basis of agreements and contracts;
- priority – consists of priority financing of strategically important investment objects that are of paramount importance for the security, independence and development of the state's economy;
- maximizing efficiency – implies the selection of the most cost-effective and profitable investment projects.

It can be noted that the Republic has created the basic conditions formally necessary for attracting foreign capital, which are advantages for potential investors:

- strategic geographical location;
- direct access to the market of the EAEU countries;
- well-developed infrastructure of Belarus: transport, logistics, communications;
- progressive economic legislation of the country;
- state-protected rights of investors;
- attractive investment climate and taxation system;
- government support for investors: guarantees, benefits and preferences;
- privatization opportunities;
- free economic zones;
- highly qualified labor resources;
- decent quality of life.

Today, reliable legal conditions have been created for investors to operate on the territory of the republic, ensured by both national legislation and international agreements.

It should be noted that the Republic is pursuing an active state policy to manage the investment sector

and attract investment into the country. To carry out state management of the investment sphere, there are specially created bodies, among which investors can contact the agency and receive help and assistance from the moment they get to know the country until the implementation of investment projects.

A characteristic feature of the Republic is that state regulation of investment activity lies in the direct participation of the state in it and the creation of favorable conditions for its development. A characteristic feature of the Republic is that state regulation of investment activity lies in the direct participation of the state in it and the creation of favorable conditions for its development. The direct participation of the state is as follows:

- adoption of state investment programs and their financing from the republican budget;
- provision of centralized investment resources from the republican budget to finance investment projects on the basis of payment, urgency and repayment;
- provision of guarantees from the Government of the Republic for loans attracted for the implementation of investment projects;
- conducting state comprehensive examination of investment projects;
- granting concessions to national and foreign investors;
- regulation in accordance with the legislation of the Republic.

References: