

## Problems in Attracting Investments

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**Abstract:** Attracting investments in the development of each country leads to the prosperity of its economy. It increases the penetration of modern world experiences, techniques and technologies. However, like two sides of a coin, there are some problems in attracting investments. This article talks about the problems of attracting investments.

**Keywords:** Investment risk, investment attraction, inflation, credit risk, foreign investors.

### INTRODUCTION

There are risks involved in any investment, which investors must take into account. Therefore, there is a balance between investment risk and investment income. An experienced and intelligent investor will definitely take this into account and spend his money in places where the profit is high. The nicest thing is that the investor does not chase the profit, but the profit looks for the investor.

Investment risk explains the financial risk of investors. That is, it is related to the probability that the investor will suffer financial loss. What are the causes of investment risk? These are influenced by credit risk, interest rate, and inflation. Credit risk means the risk of the borrower not fulfilling his debt obligations. This causes investors to lose money. If an investor loses his money, his activity will accelerate. We should eliminate such mistakes and shortcomings in our country, because it causes problems in attracting investors.

The rate of inflation is one of the main reasons that cause an investor to lose their purchasing power over time. Special attention should be paid to interest rates, buying and selling of stocks and bonds, which are mainly of interest to investors, as well as analysis of the financial market.

We can easily attract investors to our country by eliminating any shortcomings that affect the activity of investors. The continuation of the current trends in the investment sector may threaten to achieve economic growth rates of more than 5% in 2021. This may lead to an increase in measures aimed at the development of investments aimed at the economy.

If there is no investment, the economy will not develop, if we create an environment and infrastructure for investors, there will be jobs, production will increase, and taxes will decrease. It is necessary to encourage enterprises to reinvest their own funds and develop their activities, says the President of the Republic of Uzbekistan Shavkat Mirziyoyev. In 2023, direct foreign investments of \$11 billion have been made, and as a result of their implementation, economic growth will increase by 1.5 times, and exports will increase by \$30 billion.

Tashkent, Samarkand, Navoi and mainly Fergana regions are the most heavily invested regions in Uzbekistan.

As the efficiency of investment activities increases, the industry will develop rapidly, and the problems of providing employment to the population will decrease. It is envisaged to organize a

replacement high-tech production. We conclude investment agreements with countries with rapidly developing world economies, such as Germany, China, France, Japan, and Singapore, and learn the necessary skills from them. Today, we can see that 60% of Uzbekistan's investors are Chinese.

Sufficient conditions have been created for them, and it is gratifying that local residents also support investors. In the case of Samarkand, the "Eternal City" (Samarkand city) complex, which was established in cooperation with China and local investors, adds to the beauty of Samarkand.

It can be understood that attracting foreign investments contributes to the further development of our country and contributes to the development of heavy and light industries such as industry, economy, pharmaceuticals, metallurgy, mining industry.

As a result of this, new jobs will be created and the negative effects such as employment of the local population will be reduced.

Currently, there are the following negative factors that worsen investment conditions:

- unclear system of tax and customs duties, as well as state guarantees;
- the increase in external debts of newly established private enterprises, and the acceleration of the inability to cover them;
- obligations to purchase other products with a low level of benefit to investors, materials, equipment;
- to cause illegal inconvenience to investors in terms of additional obligations;
- regional and inefficient use of the received investment resources;
- non-interference of control bodies in the activities of investors, and the high levels of the state's financial tax policy are examples. Also, if we talk about taxes, investment tax payments, dividend tax payments, and capital payments are taken into account. Income-reducing investment tax payments have a high impact, and dividend tax payments can increase share prices, thus adversely affecting investors who are stock buyers.

The intended measure allows to properly control the effectiveness of the activities. In order to activate private investments, it is important to demand the liberalization of business activities, take important measures, and take measures aimed at a clear and bold goal. If we look at the prospects of the market and its profitability in the economy, two components are determined by the level of investment potential and investment risks.

The region is characterized by positive and high efficiency, aimed at increasing investment attractiveness. Taking into account that the investment environment affects all spheres of activity in the country, the scope of reforms included economic education, health care, agriculture, water supply, energy, transport and other areas.

Conclusion: It is always necessary to support the actuarial sectors that contribute to the development of the country. In particular, by attracting investments, a large and large part of industrial zones and production in our country will be re-equipped in accordance with the requirements of the time. The foreign experience reflects this one hundred percent and applies to their study. Because our nation, which strives for innovation, always strives for heights. Progressive structural changes in the economy and an effective innovation policy aimed at increasing the competitiveness of goods are impossible. Therefore, if we want to achieve efficiency, we should also pay attention to supporting investors, and we have all the conditions for this. - the conditions are sufficient. By giving them relief, we will benefit ourselves. In order to achieve high efficiency, we strive to rely on our people while living in modern conditions.

Of course, we cannot say that we do not have shortcomings within the framework of the law, but

from the legal point of view, we are also responsible for the activities of investors.

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