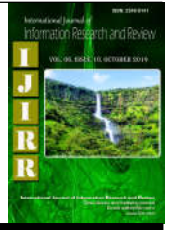




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RESEARCH ARTICLE

FUNDAMENTALS OF INVESTMENT POLICY OF UZBEKISTAN

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ABSTRACT

This article analyzes the investment policy of the Republic of Uzbekistan, the ongoing work in this area, and the favorable investment climate created by the country for foreign investments, the opportunities of Uzbekistan.

INTRODUCTION

In recent years, the Republic of Uzbekistan has undergone profound changes to ensure the welfare of the people. Annual state programs are important in this regard. In particular, the President Sh. M. Mirziyoev proposed to declare 2019 the Year of Active Investment and Social Development. The Parliament approved the proposal and on January 17, 2019 the Decree of the President of the Republic of Uzbekistan "On State Program for Implementation of the Strategy of Action for the Five Priorities of Development of the Republic of Uzbekistan for 2017-2021 in the Year of Active Investment and Social Development" was signed. Speaking about the importance of active investment, President Mirziyoev said: "The economic development of our country depends on active investment policy. On this basis, I think, there is no need to explain the competitiveness of our state and, above all, the welfare of the population, the creation of new enterprises and networks, new jobs" (Mirziyoev, 2018). After all, active investments reduce unemployment in the society, increase real incomes of the population, develop science, and improve the quality of services, including social protection of the population that cannot compete in the labor market, improve the living conditions of the population. It provides great opportunities in the field of health, development of healthy life-style, development of tourism, creation of new jobs and further development of agriculture. For these purposes, 18 interstate visits were completed in 2018 and \$ 50 billion in investment agreements were reached.

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Currently, 456 projects worth 23 billion US dollars are being implemented in our country through foreign investments (2). The Republic of Uzbekistan is a country of ample opportunities. In general, all the elements in Mendeleev's chemical schedule can be found in our country". (3). At the current stage of development of Uzbekistan's economy, it is very important to attract foreign direct investment. President Mirziyoev instructed to set up an Expert Council under the President to develop proposals to improve the investment climate in the country. The Ministry of Economy and Industry of the Republic of Uzbekistan jointly with the State Committee for Investments, Council of Ministers of the Republic of Karakalpakstan, Khokimiyats of provinces and the city of Tashkent, prioritize investment in the medium term. Policy strategy has been developed. The Direct Investment Fund of the Republic of Uzbekistan with a capital of US \$ 1 billion was established. The FDI has been entrusted with the following strategic tasks: attraction of direct investments and innovative technologies, evaluation of investment proposals, promotion of investment potential and opportunities of Uzbekistan abroad. From March 1, 2019, with the purpose of creating favorable conditions for foreign investors, the "investment visa" with a validity of three years is introduced for founders (participants) of enterprises with foreign investments and their family members. Also, the procedure for issuance of residence permit in the Republic of Uzbekistan for a period of 10 years is simplified to citizens of foreign countries who have invested more than \$ 3 million to establish enterprises producing goods and services in the Republic of Uzbekistan, including founders (participants) of foreign investments. installed. In addition, foreign investors with a residence permit or "investment visa" in the Republic of Uzbekistan have the right to access medical

and educational services on the terms provided for the citizens of the Republic of Uzbekistan. At present, investment in the Republic of Uzbekistan is becoming a favorable area for domestic and foreign investors. It is well known that foreign investors evaluate the investment climate in the country on a much larger scale. It is natural to look at different indexes, principles, and statistics. After all, a business man takes risks, but they do not want to spend more than profit. Modern business has standards for assessing the country's investment climate, developed by international financial institutions and economists, which often take into account the following factors:

- Economic policy of the country;
- Legal status of foreign investments;
- The level of corruption in the country;
- Quality level of the judicial-legal system;
- Status of crime and delinquency;
- Attractiveness of the tax system;
- Access to financial resources;
- The level of electricity and hydrocarbon supply;
- Quality of transport and communication systems;
- Qualification level of workers;
- Quality of labor legislation and so on.

In recent years, Uzbekistan has undergone significant changes. The country has chosen a political course that encourages entrepreneurship, private business and foreign investment in its economic policies. The country pays great attention to the development of tourism. Much work is also being done in the field of tourism development, identifying areas of interest for tourists arriving in the country, and expanding the range of tourism services. The rich cultural and historical heritage of the country attracts any foreign tourist. "With its huge natural, cultural and historical resources, Uzbekistan is able to meet the demand of all tourists and meet the influx of tourists in the future" (Mirzaev, 2011). At the same time, the inflow of foreign investments into Uzbekistan will give satisfactory results to both parties. Peace and a favorable investment climate in the country can be the basis for future plans. The country has set the following priorities in pursuing active investment policy and justifying investors' confidence:

- development of the medium-term investment policy of the Republic of Uzbekistan;
- Further improvement of mechanisms for attracting foreign direct investments;

- Formation of a portfolio of initial investment projects by regions and industries for presentation to investors;
- Creation of an investment consulting company and creation of a separate investment portal under the auspices of the Government of the Republic of Uzbekistan in order to further enhance the effectiveness of measures to attract FDI;
- Creation of "investment hubs" to present investment opportunities of Uzbekistan to foreign countries, investment banks and companies;
- Revise the list of available data restrictions;
- organization of the issuance of international bonds of the Republic of Uzbekistan and taking measures to maintain and improve the sovereign credit rating;
- ensuring Uzbekistan's participation in the global competitiveness index;
- Further improvement of the activities of FEZ and SMEs;
- Improving the legal framework for the operation of free economic zones and small industrial zones;
- Development of public-private partnerships;
- Review of the Law of the Republic of Uzbekistan "On Concessions" and others.

These directions are included in the state program for 2019 and are being implemented to realize these tasks. Speaking of factors that can calm foreign investors, the country has the potential to repay investments and public debt in a timely manner. The gold reserves in Uzbekistan at the end of 2019 are estimated at US \$ 27.4 billion. Also, the country's external debt is around 20% of GDP. All this is an additional guarantee for foreign investors.

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