






Improvement of Forming Promising Investment Environment in the Region

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Keywords: Investment Environment, Regional Development, Economic Sustainability.


Abstract: In this article, the content, necessity, specific features, existing opportunities and the issues of improving its effective implementation through the influence and directions of the investment policy actively conducted in the region are highlighted. Also, conclusions, proposals and recommendations regarding the process of forming a favorable investment environment in the region of Khorezm region, identifying and revealing the aspects of their improvement are highlighted.


1 INTRODUCTION


The contemporary imperative for effective economic sector development within our nation necessitates a comprehensive focus on the cultivation of investment sources. This pursuit demands the establishment of conducive conditions and a propitious investment climate. Central to this endeavor is the construction of a conducive investment milieu, encompassing a spectrum of economic relations aimed at fostering the expanded reproduction of national and regional economic domains. Fundamentally, the material substratum of this milieu comprises diverse investment resources, instrumental in financing various economic sectors and augmenting their material and technical infrastructures. These resources span natural endowments, technological assets, financial capital, labor reservoirs, and other pertinent factors. Crucially, the investment climate operates synergistically within the broader framework of regional economic systems,


constituting an integral facet thereof. Functioning cohesively, the investment milieu facilitates the processes of simple reproduction through direct depreciation, alongside requisite increments in fixed assets and their concomitant modernization.


Indeed, the formation and enhancement of the investment milieu are pivotal for the socio-economic advancement of regional economic sectors. Within this purview, Article 26 of legislation recently enacted within our nation underscores the imperative task vested in competent state entities responsible for regulating investments and investment activities. Specifically, this mandate entails the continuous refinement of regulatory frameworks governing investment attraction, the cultivation of the investment milieu, and the optimization of investment endeavors within the territorial confines of the Republic of Uzbekistan. Moreover, to foster a salubrious investment climate, concerted efforts are imperative to engender investment inflows and to cultivate this environment effectively.

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2 MATERIALS AND METHODS

This article uses methods of research such as analysis, synthesis, economic method, logical analysis, inductive, deductive and abstract thinking. In the studies conducted based on these methods, the formation of a favorable investment environment and the improvement of its processes have been studied as an important issue.

The concept of investment climate as an economic category attracts the constant attention of scientists, analysts and experts, as well as accounting subjects, politicians and entrepreneurs.

Investment environment should be related to its attractiveness. In this regard, in some studies, it was noted that the health and attractiveness of the investment environment can be assessed through macroeconomic indicators that reflect the state's socio-economic status (Zayniddinov, 2020).

In our country, the state is paying special attention to the issues of creating sufficient conditions for the formation of the investment environment, accelerating and stimulating its operation, as well as improving it. In other studies, conducted in this regard, it is noted that foreign investments are attracted to the regions with the richest natural resources, relatively favorable economic conditions and investment environment, employment of the population and other social problems (Ziyayev et al., 2019).

Various conditions must be sufficient for the formation of the investment environment. The particularity of the investment environment is determined by generalizing features of economic, social, organizational, legal, political and other conditions that determine the appropriateness and attractiveness of the activity in this regard (Bakiyeva, 2019). In this case, the interrelated set of these factors influencing the investment activity is the investment environment, which is a decisive link in the economy of this or that country.

In many countries, the investment climate is focused on the economic development of the country's regions. The investment environment in the Russian economy seems to be favorable in terms of wide opportunities for regional economic development (Okolyshev and Okolysheva, 2017).

The investment environment affects the natural conditions of some areas, including the city. Some studies argue that the investment preference is changed by the urban natural environment (Zhao et al., 2023).

As an external source, it is necessary to evaluate the environment of foreign direct investments. In this regard, the country's outward foreign direct

investment environment was evaluated by applying the principal components and data analysis methodology for the Chinese economy (Xue et al., 2021).

Whether the investment environment is effective depends on the investor. It has been studied that investor preferences and expectations depend on the macroeconomic environment in which they are formed, and that this includes periods of high or low market returns or increased economic uncertainty (Bachmann et al., 2024).

The existence of financial environment as a form of investment environment should depend on theories. That is, in other studies, the theory is based on the fact that the financial environment, including investments and organizations' access to funds, is directly incidental to the effective functioning of the financial system (Agyapong and Tweneboah, 2023).

Directly the above studies justify the necessity of formation and improvement of the investment environment for the regions.

3 RESULTS AND DISCUSSION

The socio-economic development of the country's regions, the increase in the income of the population and the improvement of the living conditions depend on the amount and composition of the investment funds attracted to the sectors and sectors of the national economy. Therefore, special attention is paid to creating an attractive environment for attracting investment funds in the regions. In this regard, the state implements strict measures to make the country more attractive for foreign investors. In this regard, privatization is considered an important direction as a means of ensuring the flow of direct foreign investments to our country.

A favorable investment environment for foreign investors has been created in our country. That is, Uzbekistan has the following conditions for attracting foreign investors (Mahmudov et al., 2020):

- political stability;
- the formation of a legal framework protecting private property and competition;
- establishment of infrastructure supporting the investment process;
- convenient geographical location of the country;
- the high development potential of the agro-industrial sector and the country's wealth of mineral and raw material resources;
- high to qualification had work of resources availability;

- trade for internal market of size enough level width.

Also, it is necessary to assess the effectiveness of investment projects for the implementation of strategic programs to improve the investment environment of the regions. Through this strategic for programs investment projects efficiency evaluation mechanism will be improved. Taking this into account, scientific research in our country approach based on economic sectors investment will be done.

The results of the activity of economic sectors or certain inactive management institutions in the conditions of the market economy also exert their influence on the formation of the investment environment, and this situation is directly reflected in the level of well-being of the regions. In this regard, the active participation of these institutions in the public discussion of investment projects from the point of view of partnership is considered important in improving the direct investment environment.

It is important to note that the current composition and condition of the investment environment in the regions can be clearly observed based on the price movements in the market. Because today there are many other sources of investment environment besides other markets, which in turn should contribute to the formation of an effective and favorable investment environment. These include venture funds, mutual funds, trust funds and other businesses. Here there are various markets related to them, which objectively occupy a large share in the conditions of the investment environment, thereby gaining significant importance in the formation and improvement of a favorable investment environment. These circumstances are considered to be the process of forming a favorable investment environment in the region (Fig. 1).

Based on this figure, it will be possible to create and improve the investment environment in the region.

It is known that investments appear as a sum of expenditures made in the form of long-term capital investments in industry, transport, etc. Effective attraction of investments should directly depend on a favorable investment environment. In these processes, the investment environment consists of the structure in which investors operate, and includes the conditions for buying and selling their various forms of funds in the financial market. Based on gross investment and depreciation in the region under the conditions of the investment climate, net investment in fixed capital is expressed as the value of the net increase in fixed capital per year.

In our opinion, the investment environment is a system of economic relations between its subjects in the process of making investments. Based on these, investment activity entities operate effectively in their respective investment field.

In the conditions of the investment environment, permanent investments in the regions are not capital, that is, they lead to changes in capital. In this case, the time aspect of the investment is based on its flow. Based on this, the main goal of the investment environment is to create favorable conditions for the development and improvement of the investment process.

The investment environment as the most important feature of the enterprises in the regions directly affects the future development prospects, competitiveness and financial stability of the enterprise. Based on it, the investment environment of the enterprise is a set of characteristics of its production, commercial, financial and management activities and the characteristics of the investment environment. Its results show the feasibility and necessity of investment.

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In order for the investment climate in the regions to be effective, investment attractiveness should be ensured. Based on it, the investment attractiveness of the region depends on the following factors:

- level of socio-economic development of the object;
- investment activity;
- tourism level, dynamics, flows and provision of infrastructure;
- availability of investment resources, etc.

The main problem of attracting investors, including foreign investors, in creating a favorable investment environment is the lack of improvement of investment legislation and the complexity of the tax system. To overcome these problems, it is necessary to ensure consistency and complexity of investment legislation. The procedure for improving legislation, in turn, should ensure the development of directly applicable laws that meet the expectations and interests of businessmen.

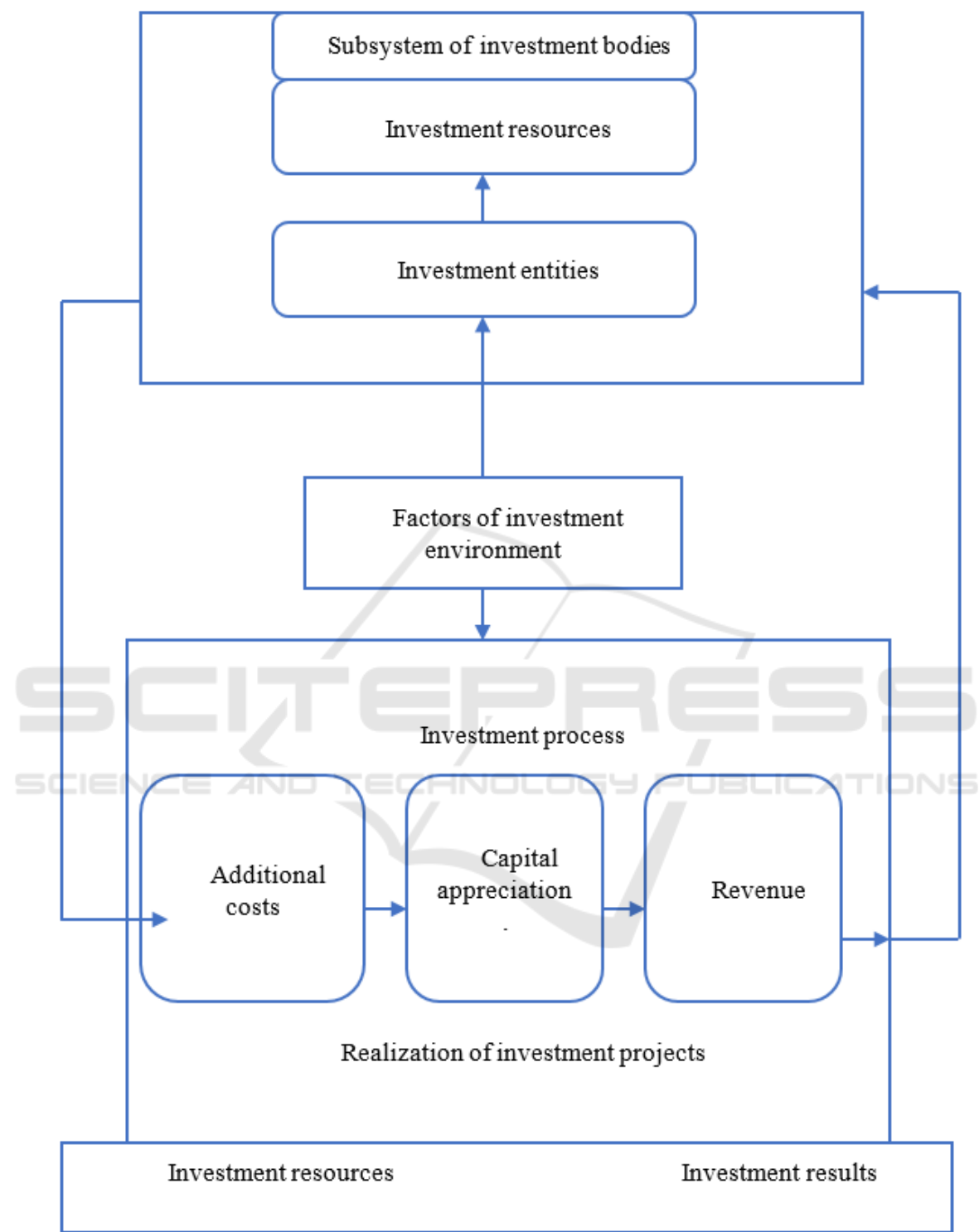


Figure 1: The process of forming a promising investment environment in the region.

With the effective provision of this legal environment, the investor will be able to invest in the region, and his rights will consist of the following directions:

- implementation of effective investment activity;
- independent determination of investment volume and target directions;
- ownership, use and disposal of investment objects and results;
- transfer of their rights under the contract to the implementation of investments and their results;
- control over the targeted spending of funds allocated for investments;
- combining own and loan funds with funds of other investors for joint funds;
- implementation of other rights stipulated in the contract within the framework of legislation.

Also, organizational decisions necessary to fulfill the specified parameters of investment activities are made at the expense of regional resources. In this case, the growth rates of the investment volume, the volume of investments, investment lending and the list of investment projects are approved.

Therefore, the investment environment is determined by a number of conditions that describe the attractiveness of investments, risk and profitability ratios for different investors. In this case, special attention is paid to the investment environment from the point of view of foreign investments. Because this situation is related to the growth of capital, entrepreneurship and the activity of local enterprises.

The main factors in the formation of the investment environment of the region will be the following areas:

- territorial balance, inflation and its regulation measures;
- natural resources existence and monopolies;
- by region distribution and infrastructure of objects availability;
- worker power quality and territorial distribution;
- to the market enter administrative, information and another obstacles, competition level;
- of the population political stability, social safety, security standards;
- regional and local government quality;
- tax load and its stability;
- finance market quality and credit get opportunity;
- of currency conversion and its influence;
- economy openness (trade, capital movement and worker power).

Based on the above, the research of the investment environment is the basis of the study of the investment environment. Accordingly, socio-

economic relations formed as a result of assessment of investment attractiveness are studied

4 CONCLUSIONS

The investment environment, a complex amalgamation of various investment instruments and stages, warrants meticulous analysis and evaluation to ascertain the sources of expendable investments. It encompasses both the beneficiaries and beneficiaries of investment, necessitating a comprehensive assessment of investment efficacy. Modern methodologies for such assessments encompass a spectrum of indicators, spanning economic, budgetary, and social efficiency metrics. Central to our contention is the pivotal role of creating a favourable investment milieu in the region to bolster its investment attractiveness and ensure economic equilibrium and stability. We contend that the establishment of such an environment is intrinsic to the state's investment policy. Consequently, fostering a propitious investment milieu serves as a linchpin for addressing key imperatives, including regional socio-economic development, production modernization and diversification, and enhancing regional economic competitiveness. Furthermore, to ameliorate the investment environment in the region, the formulation of comprehensive programs geared towards attracting foreign investments is imperative. These programs must be intricately aligned with the overarching goals of the region's socio-economic development strategy. They ought to delineate sectoral and regional priorities and proffer lucid measures aimed at enhancing the investment climate.

In essence, the creation of a conducive investment environment emerges as a prerequisite for sustainable development and economic prosperity in the region. Through strategic planning and concerted efforts, the region can position itself as an attractive destination for both domestic and foreign investments, thereby fostering growth, innovation, and resilience in its economic landscape.

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