

Economic Fundamentals and Development Prospects of Enhancement of Business Subjects' Competence

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Abstract:

This article discusses the economic basis of developing the potential of business entities, the freedoms and benefits created for business entities in various branches and sectors of the economy, and the reflection of these economic reforms in our national legislation.

Keywords: business entities, national economy, economic reforms, private property, public-private partnership, inclusive and sustainable economic growth, tax and customs benefits.

I. Introduction

Implementation of the development strategy of New Uzbekistan for 2022-2026, as well as halving poverty by achieving inclusive and sustainable economic growth, ensuring competition in the economy, creating equal conditions for business entities, improving market relations Accelerating the smooth transition, increasing the competitiveness of the national economy, sharply increasing the volume of private investments, and further strengthening the confidence of business circles is one of the priority tasks facing today's economy.

In this regard, on April 8, 2022, the President of the Republic of Uzbekistan Sh. Mirziyoyev's decree "On further reforms to improve the business environment and create conditions for sustainable economic growth through the development of the private sector" was announced.

II. Materials and methods

This article examines the developing the potential of business entities of economists from Uzbekistan and abroad on the analysis of sources that provide financial support for the implementation of investments and the attractiveness of the investment environment. Comparative analysis of the literature and methods of substantiation of the hypothesis were used as research methodology.

III. Discussion and results

The following can be recognized as the main directions of increasing the role of the private sector in ensuring economic growth, creating favorable conditions for the development of the private sector in all industries and sectors:

- ✓ to continue institutional and administrative reforms to guarantee the inviolability of private property and freedom of business activity, and to ensure the rule of law in this regard;
- ✓ to use the mechanisms of transparent privatization of non-agricultural land plots, first of all, as an important factor of attracting private investors, and to create infrastructure and other necessary conditions to increase the attractiveness of land for auction;

- ✓ To liberalize the market of goods and services in which the state participation is maintained and to create conditions for the entry of the private sector into these areas, to form a healthy competitive environment by strengthening the institutional capacity and authority of the anti-monopoly body;
- ✓ cancellation of privileges, exclusive rights and privileges by targeted application of the "regulatory guillotine" method;
- ✓ accelerating the transformation and privatization of state-owned enterprises and commercial banks, reducing the share of inefficient enterprises in the economy, stimulating the increase of qualitatively new investments, in particular, based on the principles of environmental, social and corporate governance (ESG), and the increase of technologies with high production productivity encourage;
- ✓ stimulating the development of various segments of the financial market due to the further liberalization of the money and capital markets, thereby creating conditions for the creation of alternative sources of financing for privatized and transforming enterprises;
- ✓ to accelerate the attraction of foreign investors in geological exploration, extraction and processing, in order to provide the driver sectors of the economy, in particular, mining, oil and gas, chemical, building materials industry and other industries with a guaranteed base of raw materials, mineral raw materials support for increasing base reserves;
- ✓ development of energy resources, transport and communication markets and creation of conditions for the entry of private investments into the sector;
- ✓ a sharp increase in public-private partnership projects in the fields of drinking and waste water supply, heat supply, beautification, road construction, and aviation infrastructure;
- ✓ to have an intolerant attitude towards any form of corruption in all sectors and sectors and fight against it fiercely;
- ✓ Prevention of corruption by wide introduction of modern methods of corporate management, including the "compliance" control system, by ensuring the transparency of the procurement system in state-owned enterprises and commercial banks.

In our country, private ownership and real estate trade play an important role in improving the business environment, increasing the competence of business entities and creating more opportunities for them. This is especially important for foreign citizens and stateless persons residing in our Republic to make real estate purchases, thereby providing investment attractiveness.

Starting from May 1, 2022, citizens of foreign countries whose list is approved by the Cabinet of Ministers will be given the right to invest in the following newly constructed real estate objects (except land plots) without requiring a residence permit in the Republic of Uzbekistan held:

- in the cities of Tashkent region, Tashkent and Samarkand - real estate objects worth not less than the equivalent of 150,000 US dollars based on the contracts concluded during the construction period, and the value of the real estate objects accepted for use not less than the equivalent of 180,000 US dollars;
- in other regions - real estate objects whose value is not less than the equivalent of 70,000 US dollars based on the contracts concluded during the construction period, and the value of the real estate objects accepted for use is not less than the equivalent of 85,000 US dollars.

In this case, the purchase of real estate objects provided for in this paragraph is not a basis for citizens of foreign countries to obtain a permanent registration and residence permit in the Republic of Uzbekistan.

In order to further improve the competitive environment in the economy and reduce bureaucratic obstacles for the private sector, the Ministry of Economic Development and Poverty Alleviation, the Anti-Monopoly Committee, the Ministry of Finance and the Ministry of Justice have developed a series of initiatives. They are manifested in:

- a) legal entities or individual entrepreneurs or groups of individuals whose income from the sale of goods (services) in the last calendar year does not exceed ten thousand times the amount of the base calculation not to recognize that they have a dominant position in the commodity or financial markets and not to apply anti-monopoly measures against them;
- b) From September 1, 2022, apply financial penalties to business entities that have committed anti-competitive actions for the following:
 - ✓ agreements (agreed actions) leading to restriction of competition in the goods and financial markets and coordination of economic activities;
 - ✓ abuse of a dominant (monopoly) position and high negotiating advantage in the commodity and financial markets, unjustified price increases of socially and strategically important products, and unfair competition;
 - ✓ Violation of the competition legislation in the case of mergers and acquisitions of economic entities and the conclusion of transactions on the purchase of shares (shares) in the authorized fund (authorized capital);
 - ✓ anti-competitive actions in public auctions and violation of anti-monopoly requirements.

In order to create a level playing field for business entities, as well as to regulate the provision of tax and customs benefits, a number of new types of benefits are introduced into the current legislation and implemented. This, in turn, serves to open doors of new opportunities for business entities (Table 1).

Table 1. From May 1, 2022, tax and customs benefits applicable to all business entities in the sector

LIST

№	Privileged normative legal document	Actual users of tax and customs exemptions	Applicable tax and customs exemptions
1.	The third paragraph of paragraph 7 of the decision of the President of the Republic of Uzbekistan No. PQ-2856 of March 29, 2017 on measures to organize the activities of the association "Uzbekipaksanoat"	Organizations that are part of "Uzbekipaksanoat" association	Customs fees
2.	Paragraph 16 of the Resolution of the President of the Republic of Uzbekistan No. PQ-2939 of May 1, 2017 "On Measures to Improve the Management	"Uzbekbaliqsanoat" association, regional "Baliqsanoat" LLCs and legal entities that are part of "Uzbekbaliqsanoat"	(excluding customs clearance fees)

	System of the Fisheries Network"	association	
3.	Clause 10 of the Resolution of the President of the Republic of Uzbekistan No. PQ-3472 of January 12, 2018 "On measures to further develop the silk industry in the Republic"	Organizations that are part of "Uzbekipaksanoat" association	Turnover tax Customs fees
4.	Paragraph 10 of the Resolution of the President of the Republic of Uzbekistan No. PQ-3693 of May 3, 2018 "On measures to further encourage the development of the leather, footwear and fur industries and increase the export potential"	Organizations engaged in the collection and preparation of leather, fur, black leather and wool	(excluding value added tax and customs clearance fees)
5.	Clause 7 of the Decision of the President of the Republic of Uzbekistan No. PQ-4047 of December 4, 2018 "On additional measures to support the rapid development of the cocoon industry in the Republic"	(only when sold to organizations that are members of the "Uzcharmsanoat" association, and when the share of income from this type of activity in the total volume of gross income is at least 80 percent according to the results of the reporting period)	Land tax levied on legal entities
6.	Clause 9 of the Cabinet of Ministers' Decision No. 138 of February 15, 2019 "On additional measures to effectively organize the cultivation and industrial processing of licorice and other medicinal plants"	Organizations that are part of "Uzbekipaksanoat" association	Profit tax, property tax of legal entities, turnover tax

IV. Conclusion.

In conclusion, we can say that in recent years, large-scale reforms have been implemented in our country in order to liberalize business activities and create more opportunities for business entities.

These reforms, in particular, continue the institutional and administrative reforms to guarantee the inviolability of private property and freedom of business activity, as well as ensuring the rule of law in this regard, mechanisms for the transparent privatization of non-agricultural land plots, first of all, private investors. use as an important factor of attraction and create infrastructure and other necessary conditions to increase their attractiveness when auctioning land, accelerate the transformation and privatization of state-owned enterprises and commercial banks, stimulate the development of various segments of the financial market due to the further liberalization of money and capital markets, in creating conditions for the creation of alternative sources of financing for

privatized and transforming enterprises, the driver sectors of the economy, in particular, in accelerating the attraction of foreign investors in geological exploration, extraction and processing to provide the mining, oil and gas, chemical, building materials industry and other industries with a guaranteed base of raw materials; It is manifested in the intolerant attitude towards any appearance and the fierce fight against it.

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