

## Ensuring Sustainable Growth of Uzbekistan's Economy on the Basis of Efficient Use of Investments

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**ABSTRACT:** This article provides an analysis of the role of investment and modernization in the economy, its importance. The level of development of any country, that is, the development and growth of the economy, largely depends on the investment process in the country. The experience of developed countries shows that the attraction of foreign investment has been one of the decisive factors in the high level of development of these countries. Investment is a financial source of reproduction and economic growth in general, a factor determining the development of the productive forces and the system of economic relations. Investments ensure the development of science and technology, the implementation of achievements and the process of socio-economic development. It is also a necessary condition for the continuous improvement of living standards and quality of life.

**KEYWORDS:** investment, economy, development, modernization, increase, industry, growth, production, capital, business

At present, one of the most important tasks in the field of economic development is to create favorable conditions for attracting foreign investment to the economy of our country, the introduction of practical mechanisms for their legal protection and further improvement of the investment climate. Creating a favorable investment climate and implementing an active investment policy have become an important factor in the economic development of the country. Foreign investment in deepening structural changes in the economy, accelerating investment activity of enterprises, modernization of production, technical and technological re-equipment, The role of direct investment is invaluable. This will provide an opportunity to introduce advanced technologies, create new jobs and, on this basis, ensure the sustainable and balanced development of the country's economy.

The experience of developed countries shows that the attraction of foreign investment has been one of the decisive factors in the high level of development of these countries. Investment is a financial source of reproduction and economic growth in general, a factor determining the development of the productive forces and the system of economic relations. Investments ensure the development of science and technology, the implementation of achievements and the process of socio-economic development. It is also a necessary condition for the continuous improvement of living standards and quality of life. In the context of modernization and diversification of the market economy, attracting investments to our economy and their effective use is of both social and economic importance. Investments affect the rate and volume of reproduction in the economy, ensure scientific and technological development and employment of the majority of the population. One of the main reasons for this is the radical structural changes in our economy, the rational and optimal allocation and development of labor resources, which largely depend on investment activities.

Today, the most important and most important direction in the development of the economy of our country and the maintenance of sustainable growth is investment. In his "Address to the Oliy Majlis on the most important priorities for 2021", President Shavkat Miromonovich Mirziyoyev expressed the following views in this area: "World experience shows that which country pursues an active investment policy? achieved sustainable growth of its economy. Therefore, it is no exaggeration to say that investment is the driver of the economy, in Uzbek, the heart of the economy. Along with investment, new technologies, advanced experience, highly qualified specialists come to various industries and regions, entrepreneurship. is developing rapidly. "

Consistent measures are being taken in our country to radically improve and reform investment policy, to introduce modern, effective approaches and mechanisms for its implementation, as well as to accelerate investment processes and improve the business environment in general. serves to ensure the rapid development and modernization of economic sectors, social and industrial infrastructure, comprehensive diversification of industrial production and increase its competitiveness. In this regard, President Shavakat Miromonovich Mirziyoyev said in paragraph 3.4 of the Decree "On the Strategy of Actions on the five priority areas of further development of the Republic of Uzbekistan" to improve the investment climate. Active attraction of foreign direct investment ". By improving these areas, we can achieve sustainable growth of our economy.

Every region is important for the economy of our country. Therefore, to ensure economic growth in each region by attracting more investment in areas with low investment growth rates and the effective use of attracted investments,

today the country's economy is developing and sustainable growth is accelerating. Achieving horses is one of the most important issues. Placement of investments based on the potential of the regions is one of the most pressing issues today. We can increase the investment potential and attractiveness of the regions through the implementation of new mutually beneficial investment projects in areas with low investment growth.

Studies show that the following factors affect the attraction of investment:

#### 1. Social factors:

- The attitude of the local population to private property and foreign investment;
- Social activity of the working class;
- The level of integrity of democratic consciousness in society;
- Intellectual potential of the population at all levels;
- Availability of advanced ideas for social development of society;

#### 2. Economic factors:

- General and stable state of the economy;
- Inflation rate at the same time;
- Loan size and interest rate;
- Procedure for using economically active and inactive labor;
- Maintaining the exchange rate within the established limits;
- The relationship between supply and demand in the domestic and foreign markets for a particular type of product or service;
- Tax benefits and opportunities to reduce the tax burden;
- Customs benefits;

#### 3. Political factors:

- Political stability, ie the level of peace and tranquility prevailing in each country;
- Compliance with and compliance with international agreements;
- The role of the state in the economy;
- The level of effectiveness of government agencies
- State investment policy in relation to investments;
- The level of state participation in various international exchanges and the availability of transactions.

By increasing the level of implementation of the above factors in the economy of our country, we can attract more foreign investment to our economy. It is important to study the issues of attracting foreign capital to the national economy and regulating, managing and stimulating its activities. Factors that have had a positive impact on the growth of foreign investment include the high position of private property in the economy and the improved competitive environment, socio-political stability in the country, the existence of a large and solvent, developed consumer market, rich and diverse availability of natural resources, choice of free economic policy, introduction of various economic incentives and incentives for foreign capital, high intellectual potential of the population and a wide range of opportunities for its use for production purposes, stability of the relevant institutional system for free operation of foreign capital and relatively long such as the term intended. Ensuring the competitiveness of the economy in the context of modernization and diversification of the economy, the industrialization of its structure largely depends on the investment policy pursued in the country. Because a prudent investment policy is one of the most important financial factors in the socio-economic development of any country. Due to this, from the first years of independence, the country has been pursuing an active investment policy to establish and modernize modern manufacturing enterprises, to eliminate the focus of the economy on raw materials and to raise it to a high level of quality. As a result of the ongoing work, in 2021 in the Republic of Uzbekistan from the total sources of funding for economic and social development 107 333.0 billion soums (13.3 billion US dollars) or 118.1% compared to 2020. capital investments were disbursed. An investment plan has been drawn up for this year as well: "In 2021, it is planned to attract about 138 trillion soums from all sources, or 16% more than in 2020. The volume of foreign direct investment will increase almost 1.5 times this year to \$ 4.2 billion. As a result, 142 modern enterprises will be launched.

Currently, in order to improve the investment climate, it is necessary to place investments in the regions based on the region's potential, implement mutually beneficial investment projects with investors, establish free economic and industrial zones, improve the system of investor convenience, privatize state property, reduce the tax burden on investors. expedient. In addition to attracting a wide range of investments, its effective use is also important. No matter how much investment is attracted but not used effectively, economic growth will not be achieved. Therefore, the improvement of the mechanism of effective use of investments in our country is one of the most important factors in ensuring the sustainable growth of our economy. At present, the country is achieving positive growth rates of investment. However, there are some problems in this area.

In our opinion, these problems are:

- Inefficient use of investments in some areas;
- Lack of attention to the location of investments by regions;
- Large share of the state in all areas;
- Improving the lending system;
- Reduction of tax burdens;
- Inefficient use of investment resources at the regional and corporate levels of governance;
- Low quality of investment management at all levels of management;
- High investment risks associated with the possibility of non-refund of added funds due to the lack of nership, low financial condition of both investors and enterprises of investment objects;
- Unexpectedly high level of changes in the financial and tax policy of the state;
- Underdevelopment of corporate investment agreements (concessions, public-private partnerships);
- Inflicting illegal inconvenience on investors through additional obligations;
- Do not involve regulators in the economic activities of investors;
- Obliging investors to purchase materials, equipment, their components and other goods for which they are not interested in price and quality;
- Increasing the debt burden on newly established enterprises;
- Uncertain system of tax and customs duties, as well as state guarantees.

As a solution to these problems, we offer the following suggestions:

First, to improve the mechanism of effective use of investments in the regions; secondly, the correct distribution of investments by regions and the attraction of investments based on the potential of the region; third, to give investors freedom to operate; fourth, to further improve the system of incentives to create a more favorable investment climate for foreign investors, in particular, to reduce the tax burden and further simplify the tax system for investors; fifth, creation of free economic and industrial zones; sixth, improvement of the system of implementation of mutually beneficial projects with foreign economic entities and establishment of free investment economic zones with them; seventh, improvement and simplification of the lending system; eighth, to reduce the impact of inflation on the growth of the value of investment projects, as well as to further increase the volume of foreign investment.

In short, to continue the active investment policy, technical and technological re-equipment of existing industries and the implementation of strategic and important investment projects for the organization of new high-tech industries, including investments to Consolidation of efforts and rational use of available resources, taking into account the measures taken for the active attraction and effective development of foreign direct investment, as well as the employment of the population, their living standards and ensuring quality improvement is the most important factor in the sustainable development of the country's economy. By attracting investments, our regions will have a new look, the economy will develop rapidly, new equipment and technologies, highly qualified specialists, advanced experience will enter.

As a result, entrepreneurship will develop rapidly, incomes will rise sharply, unemployment will fall, and the level of urbanization will increase. In accordance with the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021, large-scale reforms are being carried out in the country to further strengthen macroeconomic stability and maintain high economic growth, increase its competitiveness. . Continuation of institutional and structural reforms to modernize and accelerate the development of industry, reduce state participation in the economy, further strengthen the protection of private property rights, comprehensive and balanced socio-economic development of regions, cities and districts, improving the country's economy and Particular attention is paid

to the active attraction of foreign investment in the regions. The main goal is to develop the country's economy and ensure economic stability.

The world experience shows that a country that has an active investment policy and attracts a lot of foreign investment has achieved sustainable economic growth. The wide attraction of foreign investment in the country's economy will contribute to sustainable economic growth, accelerate the introduction of new technologies in the production process, thereby increasing the production of modern competitive products, efficient and rational use of foreign exchange, new jobs. rins.

Improving the investment climate in our country, working on a favorable macroeconomic policy to attract foreign capital and improving the system of efficient use of investments is one of the most important factors in the development of our economy today. In today's era of deepening globalization in the world economy and the formation of an open economy in the country, effective investment policy, increase exports through radical modernization of production facilities and the introduction of competitive goods and services on the world market, expanding investment in the national economy and stimulating investors The most important factors in achieving this goal are the creation of favorable legal and regulatory conditions, as well as increasing the efficiency of foreign investment.

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