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INTENSIFICATION OF THE AGRICULTURAL SECTOR BY ATTRACTING DIRECT INVESTMENTS

Abstract. At present, the main issue of economic development is the question of the formation and development of investment activity in the Republic of Uzbekistan. This is evidenced by the frequent study of the issues raised in numerous sources. This article presents the main aspects of the importance of attracting investment in various sectors of the national economy, in particular in the field of agriculture. Important statistical data on the intensification of the agrarian sector of Uzbekistan are given.

Keywords. *intensification, agricultural sector, investment climate, investment potential, direct investment, food security, demographic growth.*

Modern Uzbekistan is the leading industrial state in the Central Asian region, ensuring stability and economic development of the region as a whole. Among the advantages offered by the modern economy of Uzbekistan for foreign companies are political and macroeconomic stability, favorable natural and climatic conditions, hospitable and hardworking people, and many others.

Of all the advantages, the key factors for the success of doing business in Uzbekistan are: a rich resource base; favorable geographical location in the center of the largest regional markets; transport and logistics system integrated into the network of ground and air communications of international importance;

diversified industrial base and scientific-intellectual, personnel potential of the republic.

The investment legislation of the Republic of Uzbekistan is one of the most advanced in the system of legislation of the CIS countries, incorporating the main provisions of international investment law, in particular, the provisions on guaranteeing the rights of foreign investors, providing certain preferences for investors and others.

In the Republic of Uzbekistan there are no restrictions regarding the form of investment. Foreign investors can create enterprises in the territory of the republic in any organizational and legal form permitted by law.

It is known that labor resources are of great importance for foreign investors. Uzbekistan, which is one of the most densely populated and multinational states of the world, located at the crossroads between West and East, has historically been a place of concentration of leading research and educational institutions [1].

The investment program during the period of modernization of the country will contribute to the further active socio-economic development of Uzbekistan and ensure the stability of its macroeconomic indicators. At the same time, along with production projects, it provides for relatively large amounts of investment in the development of infrastructure. This indicates that the government has an understanding that the success of the socio-economic development of the country as a whole depends on the efficiency and quality of the transport and utility infrastructure. Moreover, this will create the necessary conditions in Uzbekistan and the basis for the processes of modernization and technical re-equipment of production in the future.

From January to June 2020, the total amount of assimilated foreign investment amounted to \$4.8 billion, including foreign direct investment - \$3.2 billion and foreign loans under the state guarantee - \$1.6 billion. This was reported in the press service of the Ministry of Investments and Foreign Trade of Uzbekistan (MIFT).

At the same time, the volume of development of foreign direct investment in fixed assets amounted to \$2.6 billion with a growth rate of 1.2 times compared to the same indicator in 2019. The share of assimilated foreign direct investment in the total volume increased to 29.5%.

Over 494 projects were put into operation: 28 large manufacturing enterprises and 466 industrial facilities of regional importance [4, 5].

According to the results of the period under review, the most attractive for investors were electrical engineering (growth - 13 times compared to the same period in 2019), production of building materials (growth - 3.6 times), the ICT sector (growth 3.5 times). The food industry (growth by 1.5 times), the chemical industry (growth by 1.3 times) and the textile industry (growth by 1.6 times) also showed good growth dynamics.

At the same time, the upward trend in attracting foreign direct investment and loans to projects of regional importance, the total cost of which in the reporting period amounted to \$2 billion, increased by 1.05 times compared to the same period in 2019, with the direction of \$1.6 billion in the main capital. At the same time, the volume of assimilation of investments within the framework of regional projects amounted to 62.3 percent of the total value.

It is important to note that the conduct of effective economic activity is reduced to a minimum without attracting investment, the agricultural sector is no exception. In the modern world, when there is an intensive growth of demographics, issues related to food security play a dominant role, ensuring the stability of the socio-economic development of countries. It is the solutions to the problem of food security and ensuring macroeconomic stability and maintaining high growth rates in the economy that are closely intertwined with the agricultural sector. That is why, the intensive development of agrarians, by attracting foreign direct investment plays a dominant role.

It should be noted that an agreement was reached with the World Bank on the implementation of a project worth \$500 million to modernize agriculture in Uzbekistan. For the first time in the history of Uzbekistan, funds are directed to

the development of agricultural science and innovation, the organization of the management of the sphere based on world standards, the president emphasized.

In this regard, the importance of ensuring the integration of science and production, the introduction of the system of knowledge and innovations in agriculture used in developed countries was noted [2,3].

Within the framework of this project, the activities of 8 agricultural research institutes, as well as a number of organizations of the Ministry of Agriculture, will be radically updated, they will be equipped with modern laboratories and equipment. For these purposes, investments in the amount of 124 million dollars from the World Bank and a grant from the European Union for 2 million dollars will be directed.

The President of the country Sh. Mirziyoyev instructed to conduct, together with international experts, an in-depth analysis of the activities of research institutes and develop a separate roadmap for improving activities for each of them. At the same time, the head of state stressed the importance of attracting specialists with modern knowledge to these institutions, capable of introducing scientific innovations into production [1].

The Ministry of Agriculture, the president stressed, must completely abandon outdated methods of work and move to better service for farmers, expand new types of service. In a word, the activities of the ministry and its subordinate organizations must be transformed, the President emphasized.

It is planned to allocate \$212 million to support the activities of cooperatives and clusters of the fruit and vegetable industry.

The head of state stressed that they should become the main driver in providing the domestic market with inexpensive products, introducing a system "from the field to the consumer."

In this regard, the need to develop projects aimed at increasing profits by expanding the possibilities of processing, storing and exporting products is indicated.

The issues of specialization of regions for the procurement of agricultural products were also considered. An example is the Jizzakh region, where it is planned to develop about 120,000 hectares of land in the next three years, set up orchards and vineyards, and start growing oilseeds.

It was noted that it is necessary to gradually introduce this experience in all regions, to establish in each region the cultivation of no more than 3-4 export-oriented and highly profitable types of products.

It was instructed to create, by the end of 2021, intensive orchards and plantations with an area of 3,000 hectares, to distribute plots of 1-1.5 hectares to the population on the basis of the new procedure and, through this, to provide employment for 2-2.5 thousand families.

The meeting also considered issues of rational use of water.

Priority areas of work in this area are defined in the Concept for the Development of the Water Resources for 2020-2030, approved by a presidential decree dated July 10 this year. In particular, the goal was to achieve savings of 7 billion cubic meters of water per year by increasing the efficiency of canals and introducing water-saving technologies on 2 million hectares, including drip irrigation on 600,000 hectares. The concept also provides for a reduction in electricity consumption by 2 billion kilowatt-hours through the introduction of digital technologies [3,4].

It was emphasized that the Ministry of Water Resources should ensure the timely implementation of these tasks, attract international experts and work in a new way. Instructions were given on the development of software products for the complete digitalization of the industry by 2025, including online control and accounting of water consumption.

The President touched upon the results of the grain campaign and noted that even in such difficult conditions, our farmers raised the grain harvest by more than 6.4 million tons. In this regard, on behalf of our people, the head of state expressed deep gratitude to all farmers and dehkans, clusters.

The meeting also considered the issues of timely implementation of agrotechnical measures for growing cotton and planting re-crops.

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