

SOME ISSUES OF DEVELOPING MECHANISMS FOR ATTRACTING INVESTMENT IN EXPORT PROMOTION

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Abstract: *Foreign trade is a form of communication between commodity producers of different countries, arising on the basis of the international division of labor and expresses their mutual economic dependence. The article shows the development of various mechanisms for creating a favorable investment climate and attracting investments that promote exports and the development of foreign economic activity in the country.*

At the same time, the author suggests directions for enhancing investment activity, creating a favorable investment climate, and effectively organizing investment flows.

Keywords: *investment, investment climate, liberalization, reform, investment marketing, export.*

НЕКОТОРЫЕ ВОПРОСЫ РАЗРАБОТКИ МЕХАНИЗМОВ ПРИВЛЕЧЕНИЯ ИНВЕСТИЦИЙ В ПРОДВИЖЕНИЕ ЭКСПОРТА

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Аннотация: *Внешняя торговля является формой связи между товаропроизводителями разных стран, возникающая на основе международного разделения труда и выражает их взаимную экономическую зависимость. В статье показана разработка различных механизмов создания благоприятного инвестиционного климата и привлечения инвестиций, способствующих продвижению экспорта и развитию внешнеэкономической деятельности в стране.*

Вместе с этим, автор предлагает направления по активизации инвестиционной деятельности, созданию благоприятного инвестиционного климата, эффективной организации инвестиционных потоков.

Ключевые слова: *инвестиции, инвестиционный климат, либерализация, реформа, инвестиционный маркетинг, экспорт.*

Introduction.

In the conditions of globalization of the world economy, the role and importance of foreign trade activity is sharply increasing. Foreign trade is a form of communication between commodity producers of different countries, arising on the basis of the international division of labor and expresses their mutual economic dependence. Currently, the goals of foreign trade activity are also changing [1-10,20-25]. This activity becomes one of the priorities of the national policy and strategy of the enterprise. Special departments are being created to regulate foreign trade activities, relevant legislation is being introduced, interstate agreements are being concluded, and international organizations are being created. Foreign trade activity in recent years has been one of the few dynamically developing areas of the domestic economy.

This activity is characterized by the following features:

- it has become an integral part of the company's activities and an important branch of the economy;
- it has become an effective means of technical, economic, scientific, technical and social progress;
- contributes to the solution of acute socio-economic problems, determines the lifestyle and work of the general population, significantly affects their lives.

The integration of developing countries and countries with economies in transition into the international trading system is an important component of their global development strategies, where trade should contribute to the achievement of certain economic and social goals facing these countries. They consider strategies focused on the development of trade with the attraction of foreign direct investment as an essential component of the diversification of the national economy and the implementation of structural adjustment [10-18]. The fact is that the development of trade is a catalyst for both national and foreign investment, leading to capacity-building and improving the competitiveness of national goods on the world market. And investments, in turn, represent tangible and intangible benefits and rights to them, including intellectual property rights, as well as reinvestments invested by an investor on risk-bearing terms in objects of the social sphere, entrepreneurial, scientific and other types of activities in order to generate profits, which may include:

- "funds, including monetary funds (including foreign currency), targeted bank deposits, units, shares, shares, bonds, promissory notes and other securities;
- "movable and immovable property (buildings, structures, equipment, machinery and other tangible assets);

▪ intellectual property rights, including patented or non-proprietary (know-how) technical, technological, commercial and other knowledge, issued in the form of technical documentation, skills and production experience necessary for the organization of a particular type of production, as well as other values not prohibited by the legislation of the Republic of Uzbekistan [26-40].

Research methodology. The study used monographic, economic analysis, comparison, logical analysis, abstraction, induction, deduction, SWOT analysis. So, methods of assessing the competitiveness of the national economy can be built on the basis of statistical indicators, expert assessments and ranks.

Analysis and results.

Our research has shown that since gaining independence in 1991, Uzbekistan has followed a cautious approach to economic liberalization, but at the same time recognized the need for reforms. The Government advocated the implementation of gradual transformations, seeking to minimize possible negative or destructive consequences. This path turned out to be quite successful. In 2001, Uzbekistan became the first post-Soviet country whose GDP indicators returned to the level of the years before independence. At that time, the republic managed to achieve self-sufficiency in oil, increase the volume of natural gas exports and increase the level of food self-sufficiency due to the reorientation of agricultural production from cotton to wheat.

Significant reserves of easily exported raw materials, namely cotton and gold, helped Uzbekistan to support the national economy in the first years after independence. Subsequently, large-scale public investments became the main source of growth until the end of the 1990s. The fall in cotton prices in the middle of the decade affected the country's balance of payments, and the lack of flexibility in macroeconomic policy, due to belated structural reforms, forced Uzbekistan to tighten currency controls in 1997. This decision was aimed at stimulating import-substituting industries, protecting foreign exchange reserves and subsidizing imports of basic food products. At the same time, the tightening of controls led to a decline in welfare: according to the International Monetary Fund (IMF), the fall in GDP was from 2 to 8%, while the main losses were incurred by exporters [40-57].

In the early 2000s, during the economic downturn, the Government carried out a series of economic reforms that had a beneficial effect on economic growth indicators. In 2005-2015, due to the positive balance of the foreign trade balance, public investments and remittances, the average annual GDP growth rate was over 7%. Nevertheless, in terms of GDP per capita, Uzbekistan lags behind neighboring countries with similar resource endowments and falls short of the average in low- and middle-income countries.

Stimulating exports can affect economic growth. Trade, especially exports, can play a crucial role in boosting growth, knowledge and competitiveness. Among the benefits of trade are specialization of production and more efficient allocation of resources, the availability of a wide variety of intermediate goods or services (often at a lower cost), economies of scale, increased competition, as well as the transfer of knowledge and technology. Moreover, studies show a direct relationship between exports and employment.

Export diversification allows countries to reduce their dependence on a limited number of commodities and trading partners. As recent studies in low-income countries show, export diversification is of great economic importance: an increase in the export diversification index by one standard deviation provides an increase in the average annual growth rate by 0.8 percentage points.

In a market economy, an active role in regional strategic development belongs to the investment policy, which includes the main elements:

- selection of sources and methods of investment financing;
- determination of implementation dates;
- selection of bodies responsible for the implementation of investment policy;
- creation of the necessary regulatory framework for the functioning of the investment market;
- creating a favorable investment climate.

The investment climate refers to the environment in which investment processes take place. The investment climate is formed under the influence of political, economic, legal, social and other factors that determine the conditions of investment activity in the region and determine the degree of investment risk. Estimates of the investment climate vary in a wide range from favorable to unfavorable. A favorable climate is considered to be conducive to the active activity of investors, stimulating the inflow of capital. An unfavorable climate increases the risk for investors, which leads to a capital drain and a dampening of investment activity.

Uzbekistan is taking measures and implementing reforms to create a favorable investment climate, which can serve to increase foreign direct investment and develop foreign trade relations. At the institutional level, new departments have been created under the Ministry of Investment and Foreign Trade of Uzbekistan, in particular, the Agency for Attracting Foreign Investment of Uzbekistan, which will provide information and legal support to foreign investors.

The main sources of investment by 2025 will be direct investments, including public-private partnerships, public investments and investments from corporate securities.

Within the framework of ongoing and promising new investment projects in 2019-2025, it is expected to develop non-centralized investments in the amount of over 1,002.5 billion soums. At the same time, about 30% will be financed from the enterprises' own funds. The share of investments in fixed assets in GDP is expected to increase from 30.5% in 2018 to 37.5% in 2025.

At the same time, in 2025, the volume of attracted foreign direct investment and loans will amount to 11 billion US dollars compared to 1.6 billion US dollars in 2018.

Discussion of the results of the study.

Attracting foreign investment is also in the focus of the Action Strategy for the five priority Areas of Development of the Republic of Uzbekistan in 2017-2021. Officials responsible for attracting investments and executing investment projects have been appointed in each region. Important economic reforms to improve the investment climate include a moratorium on checking companies and simplifying business registration procedures, as well as the abolition of the requirement to exchange certain shares of export earnings in hard currency at an artificially low official exchange rate. The Government has also reduced the tax burden on enterprises and simplified taxation by unifying and eliminating some payments [45-56].

Currently, it can issue a residence permit for a period of 10 years to foreigners investing at least 3 million US dollars. Finally, the Government also created the post of Business Ombudsman and adopted the law "On Combating Corruption" aimed at increasing the transparency of public administration.

Conclusions and suggestions.

In addition to the changes being carried out in our country, a key role is played in creating a favorable investment climate:

Firstly, economic liberalization aimed at further strengthening macroeconomic stability and maintaining high economic growth rates, increasing its competitiveness, modernization and intensive development of agriculture, continuation of institutional and structural reforms to reduce the presence of the state in the economy, further strengthening the protection of rights and the priority role of private property, stimulating the development of small business and private entrepreneurship, comprehensive and balanced socio-economic development of regions, districts and cities, active attraction of foreign investment in the economy and regions of the country by improving the investment climate.

In particular, the liberalization of the metallurgical industry and the reduction of monopoly in this area, which serves to attract investment in this area of industry.

Secondly, investment marketing, which is understood as the search for investment opportunities related to the satisfaction of new and unsatisfied needs with the existing product supply, the formation of new needs, as well as the search for opportunities that arise due to changes in the volume and structure of demand. The subject of investment marketing is the analysis of investment activity, the disclosure of the potential of each investment area, a clear rationale for decision-making in the development and implementation of investment projects and programs.

In order to ensure the expediency and effectiveness of export promotion measures, Uzbekistan should prepare a competitive offer for each target market. This step involves the development of a sustainable branding and marketing strategy. Consultations between government agencies and the private sector will help identify the principles of positioning export products and formulate a marketing message for foreign markets, including outside Central Asia. It will be useful to create a national brand focused on the countries of Central Asia; it can take into account industry and regional specifics. Profile companies can assist in studying the perception of domestic manufacturers and their products in target markets. The information obtained should be used when developing a competitive offer; for example, you can rely on a close historical connection with the countries of the Silk Road and build on such competitive advantages as reliable and inexpensive household appliances or fresh agricultural products.

Uzbekistan can use existing information channels to convey a single message to all entities involved in the development of trade and exports. The dissemination of information should be comprehensive. In addition, you can think about creating networks of successful exporters. Such networks allow you to make the most of the achievements of entrepreneurs and acquaint foreign partners with the positive experience of local companies. Export promotion activities can and even should be carried out where potential business partners often visit, for example, at international airports or at industry exhibitions. It is necessary to identify and use the advantages of interaction with the Uzinfoinvest agency and other structures involved in promoting Uzbekistan abroad.

Investment marketing is able to study more deeply the process of forming portfolio investments and their use in the investment process, for example, in real estate financing, mortgages. The directions of investments in marketing activities are determined by corporate strategic goals. Investment marketing strategies are mainly aimed at increasing the controlled market share based on the use of key factors of marketing activities.

During his visit to the Zarbdor district, President Shavkat Mirziyoyev paid special attention to the issue of attracting foreign investment in economic sectors.

"Investments should be targeted, cost-effective. Funds should be allocated depending on the potential of the districts, on which enterprises the region needs. Deputy regional khokims for investments should travel abroad and attract investments for specific projects," Shavkat Mirziyoyev said.

It is necessary to create a favorable investment climate in the country by simplifying the tax system, reducing monopolies and properly allocating funds. In addition, investment marketing plays an important role in achieving the goal of an investment project.

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