ATTRACTION OF FOREIGN INVESTMENT BY REGIONS

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ABSTRACT

In the context of the global economy, foreign direct investment (FDI) is seen as one of the most important factors ensuring the sustainable development of national economies. Especially in developing countries, including the Republic of Uzbekistan, the uneven level of regional economic development requires in-depth study of investment attraction mechanisms by region. In this context, diversification of economic mechanisms for attracting foreign investment and their evaluation in terms of efficiency is an urgent scientific and practical problem.

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Nowadays, global investment flows are becoming increasingly complex. Investors are paying heavy attention not only to market size or natural resources, but also to the institutional environment, infrastructure, logistics system, financial instruments, tax policy and risk management mechanisms. In this regard, there is a need to develop comprehensive, integrated and diversified mechanisms rather than traditional approaches when assessing the investment climate by region.

In the economy of Uzbekistan in recent years, the investment policy in line with regional development strategies has been significantly improved. In particular, special attention is paid to redirecting investment flows to the regions through the creation of special economic zones, small industrial zones, free economic zones. However, investment efficiency is not ensured at the same level in all regions due to the uniformity of existing mechanisms or the lack of adaptation to certain regions.

Analysis of mechanisms for attracting foreign investment by regions requires in-depth study of their structural elements. Practice shows that investment flows are directed to areas with more developed infrastructure, resulting in a widening of the economic gap between the regions.

Investment mechanisms can be divided into the following main groups: Financial mechanisms (tax incentives, subsidies, loans); Institutional mechanisms (legal guarantees, state support); Infrastructural mechanisms (transport, logistics, energy); Market mechanisms (supply and demand, export potential); Innovation mechanisms (technology transfer, R&D support). According to the results of the analysis, investments in the regions of Uzbekistan are concentrated mainly in the capital and industrialized regions. This suggests that investment mechanisms are not sufficiently diversified.

The main areas of diversification are: differentiation of the territorial tax policy; development of logistics infrastructure; creation of regional investment funds; introduction of new financial instruments in special economic zones; improvement of investment risk insurance system.

In assessing the attractiveness of regional investment, it is advisable to use the following indicators: growth rate of gross regional product; level of infrastructure development; ease of doing business; export potential; access to financial resources. As a result of the assessment through the integrated index, the areas were divided into three categories: highly investment-attractive areas; moderately attractive areas; Low Attractive Areas.

On this basis, it is necessary to develop a separate investment strategy for each region. attracting innovative investments in highly developed regions; development of industry and services in the middle regions; strengthening infrastructure and state support mechanisms in underdeveloped regions.

The analysis shows that as a result of diversification of investment mechanisms: investment flows are balanced by region; economic growth stabilizes; new jobs will be created; export volumes will increase.

In addition, the following proposals were developed to improve the investment efficiency: categorization of investment projects (≤3 million, ≤10 million, ≤100 million, >100 million); introduction of a daily penalty of 0.1% (up to 50%) for non-fulfillment of obligations in relation to investors; long-term lease and use of land plots as collateral; Expansion of public-private partnership in financing investment projects.

The results of the study show that diversification of the mechanisms for attracting foreign investment by breakdown by regions is an important factor in ensuring the sustainable development of the national economy. Uneven distribution of investment flows across regions in the current system creates economic imbalances.

In this regard, the following conclusions are proposed: First, it is necessary to differentiate investment mechanisms based on regional characteristics. The economic potential, resource base and level of infrastructure of each territory should be considered. Second, the introduction of an integrated index system in assessing investment attractiveness increases the effectiveness of regional policy. Thirdly, by diversifying investment mechanisms, sustainable economic growth can be ensured and the gap between regions will be reduced.

Fourth, strengthening government support mechanisms will increase investment activity, especially in underdeveloped areas. Fifth, improving the investment risk management system will increase investor confidence. In general, as a result of the introduction of the proposed mechanisms: the volume of foreign investment will increase; regional economic development is accelerating; new jobs will be created; export potential expands; economic stability will be strengthened. Thus, diversification and evaluation of economic mechanisms for attracting foreign investment by regions is an integral part of the long-term development strategy of the national economy..