



## IMPACT OF INVESTMENTS ON THE INNOVATIVE DEVELOPMENT OF TOURISM IN UZBEKISTAN

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### Abstract

This article discusses the topical issues of investing in innovative processes, identifies the directions of the state's influence on the innovative activity of enterprises, shows an idea of the additional influence of the state on the innovative activity of enterprises, and draws the appropriate conclusions.

**Keywords:** innovation, investment, innovation strategy, tourism, tourism product, tourism market.

Tourism has an increasing impact on the socio-economic development of all countries. It accounts for 6% of the gross national product, 7% of world investments, 5% of world tax revenues.

At present, tourism in Uzbekistan is considered as a promising sector of the economy. The implemented state scientific and technical policy of the country is aimed at concentrating efforts available to its scientific and technical potential for solving socio-economic problems in the context of the transition to a socially oriented market economy. [1, p.42]

For economic recovery, one of the tasks of Uzbekistan for the coming years is the transition to an innovative path of development. The implementation of the innovation policy in the republic is closely related to changes in the structure of the leading sectors of the economy, bringing scientific and technological progress, and the provision of large-scale qualitative changes in the economy.

The main factor of economic growth and an increase in the standard of living of the population is the widespread introduction of innovative products and technologies into the country's economy. The development of innovative activity is one of the leading directions of development of the economy of modern Uzbekistan. The government of Uzbekistan is actively and purposefully working on state support for innovative entrepreneurship in the country.

The ongoing active work in this direction is yielding concrete results. In 2019, the volume of investment development amounted to 220.7 trillion soums, exceeding the approved annual forecast indicators by 2 times and the share of investments in fixed assets in the structure of GDP increased from 30% in 2018 to 36.2% in 2019 [3]





A significant increase in investment activity indicators is due to an increase in the inflow and development of foreign investments in the amount of USD 13.3 billion. The share of utilized direct foreign investment in the total volume increased to 37% against 10.5% in 2018.

The key foreign partners in attracting foreign investment to Uzbekistan are the Russian Federation, China and Germany.

According to the UN report on trade and development (UNCTAD), in terms of the growth of foreign investment, Uzbekistan has taken a leading position among the countries of Central Asia: if in the countries of Central Asia the growth in foreign investment averaged 8-10%, then in Uzbekistan this indicator compared to indicators of 2018 increased by 3.2 times. [4]

In 2020 and subsequent years, work will continue to actively attract foreign direct investment, diversify their areas for the implementation of projects in priority areas such as tourism, power generation, chemical industry, electrical products, IT technologies, light industry, agriculture.

In Uzbekistan, there is still no large-scale development based on extensive factors of economic growth, and entrepreneurial interest in innovation is still weak. In fact, in practice, the priority has been established for imitation schemes for the development of certain innovations created in the developed countries of the West and Europe. In this case, the innovative potential is understood only as the ability of enterprises to perceive foreign new ideas and imitate new technologies imported from outside. Most of all inventions are aimed at maintaining or slightly improving existing, mostly outdated types and technologies. However, in recent years, especially after the adoption of the Law "On Innovation Activity" of 25 December, 2019, the Republic is taking active steps to transition to an innovative path of development. Also, at the initiative of the President of our country, consistent work is being carried out on the innovative development of spheres of society and priority sectors of the economy, on the widespread introduction of innovative ideas and technologies into production. The decree of the head of our state "On Education of the Ministry of Innovative Development of the Republic of Uzbekistan" dated November 29, 2017 [2] will raise the work carried out in this direction to a new level. The most important task is to form innovative thinking among the people. People should understand that where there is no innovation, there will be no development and competition. Without the widespread popularization of innovations in this area, the formation of people's ability to think and work in a new way, we will not be able to keep up with the current rapidly changing time, scientific progress. Therefore, bringing innovation to a level that meets





the requirements of the present should be the main task of the new ministry and this center, the President of Uzbekistan said.

In order to be successful, enterprises and organizations in the face of increased requirements for innovative development must increasingly clearly think about the need to develop new products and services and the associated huge financial benefits. It seems to us that the main levers of state influence on the innovative activities of organizations can be:

- Creation of favorable conditions for the active attraction of domestic and foreign investments in priority sectors of the economy;
- Provision of benefits to active organizations and enterprises introducing investments;
- Improvement of the depreciation policy;
- Establishment of priority directions for the development of science and technology.

For the formation of an innovation strategy and the subsequent implementation of innovative ideas, an innovation management system is needed that meets the requirements of the industry and the market. Only an offensive and active innovation policy could guarantee our country a significant breakthrough in scientific and technological development, transfer it to a qualitatively new standard of living. This means that the innovative potential should be determined not only and not so much by the imitative ability of enterprises to perceive “alien” innovations and innovations, but also by the ability to “create the future” themselves, to develop independently improving changes and new values.

It is difficult to imagine sustainable socio-economic progress without innovative development, broad scientific and technical cooperation and the introduction of new technologies in all spheres of the economy, science and technology achievements in all spheres of the economy. Thus, creating a favorable investment climate for attracting domestic and foreign investments is the main task of the state and business. Attracting investment in the creation and implementation of innovations is a complex process that requires special skills and work experience. For a faster and more successful passage of the investment attraction process, the assistance of professional specialists, consultants and enterprises with experience in attracting financial investments for the creation of innovative projects and products in related sectors of the economy is required.

Summing up, we note that only in conditions of reliability of information about the state of the market and investment resources in the development of the industry, transparency of state policy and support for entrepreneurship, it is possible to achieve stable development trends in general. At present, only the initial steps in these





directions are being traced. Projects of innovation and investment activities are being developed to improve the economy. It can also be noted that in the conditions of an emerging advanced market, entrepreneurship will become an important factor and the main form of implementation of innovative trends.

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