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THE NEED TO ATTRACT FOREIGN INVESTMENTS TO THE NATIONAL ECONOMY ON A LARGE SCALE

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Abstract

Today, investments, including foreign investments, are very important in the social, economic and political development of the country. It is known that any country cannot develop without learning world experiences, without accepting the achievements of the world's leading countries in the field of science, science and technology.

Investments - funds (investments) that have increased from re-production and are now directed to its expansion, additional income, growth of the economy in terms of volume, that is, the construction of new enterprises, the delivery of equipment, the creation of new jobs provides creation. Attracting foreign investments to the country's economy accelerates the expansion of its economic opportunities and creates domestic opportunities in all areas.

Keywords: country, social, economic, political, foreign investment, society, economic vocabulary, capital.

Sustainable economic development of any society cannot be imagined without investments. This is especially evident today, the future growth of any country directly depends on the state of investment attraction.

As a result of timely understanding of the incomparable role of investments in the development and stability of the economy, increased attention to investments, especially foreign investments, has led to the development of investment activities in our country. It should be emphasized that today's development of investment activity is a product of the rational investment policy of our government.

In the economic dictionary, it is defined as "Investments - reflects the sum of expenses spent on industry, agriculture, transport and other sectors as long-term capital investments."

A broad and detailed analysis of specific achievements and successes achieved in investment activities, important practical conclusions based on this basis, among the

most urgent issues that we should pay attention to in the future, in determining the priority directions of our country's development and development programs, of course, the main focus is on foreign investments it should be noted that it is directed.
By increasing investment attractiveness, the following can be achieved:
- the entry of national and foreign investment into the economy will be activated, as a result of its proper use, modern and resource-saving techniques and technologies will be brought to the real sector, the existing ones will be modernized, and relatively low-cost goods will be produced for export and the national market;
- provides jobs for the growing population by developing small business and private entrepreneurship using national and foreign investment, developing production in sectors such as agriculture, industry and service;
- it will be possible to form new business entities in the country and thereby improve the competitive environment in the domestic market, provide the population with quality and cheap products.

Funding for investment activities comes from several sources. Currently, the following sources of financing investment activities are available in our Republic:
1. Funds of enterprises and individuals.
2. Financing from bank loans.
3. Financing at the expense of the state budget and extrabudgetary funds.
4. Foreign investments.

It is known from the experience of developed countries that attracting foreign capital, especially foreign direct investment, is the most effective investment tool. It is foreign investments that serve as a driving factor of economic and technological processes in the country.

The investment activity of the state arises in the process of performing the functions of the state, i.e. economic, defense, protection of rights, reformation, environmental, social and others. Through investment activity, the state has a real impact on the structural reconstruction of the economy, ensures the growth of the efficiency of the national economy, the elimination of obstacles in the development of individual sectors and regions, and the preservation of the single economic region.

Currently, one of the most important tasks is to create favorable conditions for attracting foreign investments to the economy of our country, to introduce practical mechanisms for their legal protection, to further improve the investment environment, to expand production and to increase its efficiency.

The purpose of the Law of the Republic of Uzbekistan "On Investments and Investment Activities" adopted on December 9, 2019 is to regulate relations in the

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field of investments and investment activities carried out by foreign and local investors. [1]

Attracting foreign investments to the national economy on a large scale is connected with the need to solve the strategic and current tasks of the transition period. As a result of fulfilling these tasks, the growth of investments accelerated in the past years. In 2021, a total of more than 10 billion dollars, including 8.1 billion dollars of foreign direct investment, has been absorbed. As a result, 318 large and more than 15,000 regional projects were implemented, and more than 273,000 jobs were created. The new enterprises have the potential to offset more than $1 billion in total exports and $530 million in imports. Despite the fact that the coronavirus pandemic still has a serious impact on economic processes, consistent growth in exports is achieved. In particular, in 2020, the amount of exports in the country exceeded 9 billion dollars, and in 2021 it amounted to 12 billion dollars. It is noteworthy that the share of finished and semi-finished products has increased significantly. In 2022, it is planned to absorb more than 9.5 billion dollars of foreign direct investments, launch 282 large and more than 9 thousand regional projects. Export volume is estimated to reach 14 billion dollars.[2]

The process of internationalization of the ever-expanding capital market is characterized by an increase in the volume of capital flows between countries with a market economy. The flow of international capital is the movement of one of the factors of production. In this case, certain goods and services flow in that direction due to the economic advantage of production in other countries. This is evidenced by the general increase in the volume of direct and portfolio investments, the increase in the volume of short-term and long-term loans, the increase in the scale of transactions in the euro currency markets, etc.

As international capital migration occupies one of the leading positions in international economic relations, it, in turn, has a significant impact on the development of the world economy. This effect is primarily reflected in the growth rates of the world economy of capital migration.

A favorable investment climate for capital production crosses borders in search of existing industries. International investments allow solving the problem of lack of capital in production for most countries, increasing investment potential and accelerating economic growth. The outflow of capital is one of the most important conditions for the deepening and development of the international division of labor. The movement of capital between countries strengthens economic relations and cooperation between them, deepens the international specialization and cooperation of production.

As international capital migration stimulates the development of world trade, it increases the volume of mutual goods exchange between countries, including accelerating the exchange of intermediate products between branches of international corporations. In the conditions of mutual integration and internationalization of financial markets, the international reproduction of capital is ensured and the efficiency of the mechanism of international economic relations increases. On the other hand, the uncontrolled flow of capital leads to a violation of the country's balance of payments and a significant fluctuation of the exchange rate.

Almost all countries in practice are both exporters and importers of investments (because the FDIs are mainly carried out through TNCs) or both suppliers (where TNCs have their headquarters) and receivers (TNCs are their subsidiaries, if they have lims, they will act on the basis of CSIs) participate as.[3]

The consequences of international capital migration have a direct impact on the implementation of the country's political and socio-economic goals. Naturally, the negative and positive consequences expected from them are different for developed and developing countries, as well as for countries with economies in transition. But in any case, it is impossible to use only positive factors while avoiding negative consequences. It is necessary to determine the priorities in this regard in the state policy, which is being carried out on the extremely complex and controversial process of attracting foreign capital.

Today, despite the negative consequences of attracting and withdrawing capital, the tendency to withdraw capital is increasing. One of the factors that activate capital outflow is the growing interdependence between national economies. The internationalization of production has a great impact on the international migration of capital and accelerates its movement. Export of capital, especially in the form of direct investments, is the main factor in the internationalization of production and the creation of so-called international products.

The emergence of international capital migration as a stimulating factor in the development of the world economy has various consequences for the countries that attract and export foreign capital. For capital-exporting countries, capital migration can have the following negative effects:

- failure to attract foreign investments that compensate for the capital being sent abroad may slow down the economic growth of the country sending capital abroad;
- for countries that export capital, capital outflow leads to a decrease in the level of employment in them;
- capital outflow has a negative effect on the country's balance of payments.

The following positive aspects are typical for countries receiving capital:

- managed capital import helps the economic growth of the country;
- the invested capital creates additional jobs;
- foreign capital brings new technologies, and effective management accelerates scientific and technical development (ITT) in the country;
-inflow of capital leads to improvement of the balance of payments of the recipient country.

In turn, there are negative consequences of attracting capital:
- foreign capital takes the place of national capital and squeezes it out of sectors with high profit rates, as a result of which, under the influence of certain conditions, the one-sided development of the country's economy and its economic status may be in danger;
- capital import is often related to the transfer of goods that have passed their life cycle in the markets of the recipient country, as well as goods removed from production due to the fact that their quality has been determined;
- the import of loan capital leads to an increase in the country's foreign debt;
- as a result of financial crises and the outflow of capital from the stock markets seriously harms the stability of the country's currency and the general financial and economic situation. For example, the financial crisis that occurred in South-East Asian countries in 1997 and its impact on the world economy can be cited.

Capital investment through many branches of TNCs leads to international cooperation of production. Independent law firms from different countries are in close contact through branch, technological, detailed specialization within the framework of one international corporation. Capital exports strengthen these ties.

The economic policies of developed countries related to attracting a significant amount of foreign capital to ensure economic growth, develop leading industries, and increase employment are also one of the factors that encourage capital migration. Developing countries, by liberalizing the investment environment, try to attract foreign capital and thereby stimulate economic development. Another factor stimulating the international movement of capital is the activity of international financial organizations, which regulate the flow of capital.[5]

International agreements to prevent double taxation of income and capital between countries, in turn, strengthen trade, scientific-technical and investment relations between countries.[6]

Practically all countries of the world are actively supporting CSIs. Efforts are being made to create a favorable environment for their free movement, existing restrictions are being abolished, and wide opportunities are being created for effective market competition.

In short, under the current conditions, Uzbekistan is entering the world arena as a capital importing country. In this regard, a number of national interests are taken into account. Incoming foreign investments can supplement the currently lacking national resources, bring in modern technologies, equipment, "know-how", increase the quality of products and the qualification of the labor force due to the attraction of foreign specialists, experts and consultants.

In other words, foreign investments stimulate production, create additional jobs, help the integration of the country's economy into the world economy thanks to production and scientific-technical cooperation.

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