

MECHANISMS FOR INCREASING INVESTMENT
POTENTIAL IN THE SAMARKAND REGION

Shadieva Gulnora Mardievna

Samarkand Institute of Economics and Service, Doctor of Economics.

<https://orcid.org/my-orcid?orcid=0000-0001-7078-8815>

Nematillayeva Xumora Faxriddin qizi

Samarkand Institute of Economics and Service,

"Economics" specialty, graduate student of group MI-223

Annotation: The article highlights the issues related to the regional specifics of investment activities in the Samarkand region. Formation and improvement of investment attraction mechanisms for the effective conduct of investment activities in the region; presentation of promising project proposals for a business wishing to invest; development and systematic implementation of high-quality projects; mutually beneficial cooperation with foreign partners; and scientifically based proposals and recommendations. to create favorable conditions for the activities of investors and attract investments.

Keywords: investment activity, investment fund, project, subject, mechanism, local and foreign investment, free economic zones, investment activity, securities.

The stability of the economy of our country and its regions and its social, economic, and political development are inextricably linked with investment policy. Attracting investments has a special place in reducing mutual economic differences and inconsistencies between the regions of our republic. Effective use of these opportunities creates a basis for rational use of all available resources in the regions and structural improvement of the regional economy. Uzbekistan has embarked on a series of significant reforms to boost its investment potential and create a more welcoming environment for both domestic and foreign investors. These reforms are part of the government's broader efforts to modernize the country's economy and promote sustainable economic growth. Some key reforms implemented to increase investment potential in Uzbekistan include:

Currency Liberalization: Uzbekistan has transitioned to a more flexible exchange rate system, making it easier for businesses to access foreign currency. This change has reduced barriers to international trade and investment. **Trade Facilitation:** The government has simplified trade procedures, reduced customs barriers, and streamlined customs clearance processes. This has made it more convenient for businesses to import and export goods. **Business Registration Simplification:** The process of registering a business in Uzbekistan has been simplified and expedited, significantly

reducing the time and cost required to start a new business. **Investment Law Reforms:** Uzbekistan has introduced a new Investment Law, which provides stronger legal guarantees for investors, including the protection of property rights, non-discrimination of foreign investors, and mechanisms for dispute resolution. **Tax Reforms:** Several tax reforms have been implemented, including a reduction in corporate income tax rates, tax incentives for specific industries or regions, and the streamlining of tax administration, making the tax system more investor-friendly.

Special Economic Zones (SEZs): Uzbekistan has established several special economic zones and industrial parks with preferential tax and regulatory regimes. These zones aim to attract investments in specific sectors, such as manufacturing, technology, and agriculture. **Labor Market Reforms:** Labor laws have been revised to simplify the hiring and termination of employees, as well as to create more flexible labor contracts, reducing labor market barriers for investors. **Public-Private Partnerships (PPPs):** A legal framework for public-private partnerships has been introduced, making it easier for private investors to participate in infrastructure development and public service projects. **Banking Sector Reforms:** The banking sector has undergone reforms to improve access to financing for businesses. New financing options, including venture capital and private equity, have been introduced. **Land Reforms:** Uzbekistan has initiated land reforms that allow long-term land leases to investors, including foreign companies, providing greater security for businesses needing land for their operations.

E-Government Services: The country has invested in digitalization and e-government services to reduce bureaucracy and improve the efficiency of government services. This includes online business registration and tax filing. **Transparency and Anti-Corruption Measures:** The government has implemented anti-corruption measures and improved transparency in government processes and decision-making. **Tourism Promotion:** Uzbekistan is actively promoting tourism and has simplified the visa regime for tourists. This has attracted investment in the tourism sector. **Renewable Energy:** The government is encouraging investment in renewable energy, including wind and solar projects, by offering favorable conditions and contracts to investors in the energy sector. These reforms are part of a broader effort to modernize and open up Uzbekistan's economy, attract investment, and promote economic growth. The government is committed to continuing these reforms to further increase the country's investment potential. If we focus on the experience of foreign countries, foreign investments are one of the main mechanisms for ensuring the stable development of the country's economy. Therefore, it is necessary to consider the issue of attracting investments and foreign investments to the economy of our country as an important factor in economic growth. As the President of the Republic of Uzbekistan, Sh.M. Mirziyoyev, stated, "It is necessary to create an incentive system for foreign

investors that will encourage them to reinvest their capital instead of withdrawing it as soon as possible[1]."

Also, in his Address to the Oliy Majlis, the President said, "World experience shows that any country that has pursued an active investment policy has achieved stable growth in its economy. That is why investment is the driver of the economy; it is no exaggeration to say that it is the heart of the economy in Uzbek terms. We will achieve rapid development in our economy only by actively attracting investments and launching new production facilities.

Expanding the base of raw materials in the republic and deepening its processing, increasing the volume of production of competitive finished products with high added value, wide involvement of foreign direct investments, and high technologies in economic sectors determines the relevance of the chosen topic in the implementation of tasks such as ensuring economic efficiency, creating high-income jobs on this basis, and rapid socio-economic development of regions.

Investments, their active involvement, the creation of a favorable investment environment, the study of factors influencing investment activities in the development of the national economy, including direct and foreign investments, the organization of enterprises with their participation, and investments in regions K. Eklund [3], E.D. Dolan and D.S. Lindseylar [4], U. Sharp [5], L. Gitman, M. Djonk [6], K. McConnell, S. Brew [7], R. Samuelson, and V. Nordhaus [8] types of investment activities and their financing sources, scientific and practical bases of investment classification and development, investment activity, and scientific research in investment areas

Also, leading scientists of our republic, D. Gozibekov [9], B. A. Abdukarimov, A. N. Jabriyev, M. K. Pardayevl [10], D. Tojiboyeva [11], and others conducted scientific research.

Based on the results of the theoretical research of foreign and domestic scientists, we have come to the following conclusion regarding the explanation of the essence of investment: The scientific basis of the essence of investment is resource and cost approaches; their initial organization requires the use of funds in order to make a profit; the social sphere, entrepreneurship, is scientific and has tangible and intangible assets and rights to them, including rights to intellectual property objects, which are included in the objects of other types of activities on the basis of risks.

In our opinion, investments are capital that has not yet materialized but is invested in means of production. According to their financial form, they are assets invested in economic activity for profit.

Currently, one of the most important tasks in the field of economic development is to create favorable conditions for attracting foreign investments to the economy of our country, to introduce practical mechanisms for their legal protection, and to further improve the investment environment. Therefore, 1,277 investment projects worth more

than 109 trillion soums have been formed for 2021–2023. About 4.9 billion dollars of it are foreign investments and loans. [2]

On February 25, 2020, the 101st decision of the governor of the region on the implementation of the regional investment program for 2020–2022 was adopted in the Samarkand region. Based on this decision, according to the information provided by the press service of the regional Investments and Foreign Trade Department, the total value of the Samarkand region in 2020 will be 5.5 trillion. A total of 1,248 investment projects were implemented, and 12,058 new jobs were created. Including: 3.0 trillion for 325 projects in the industry. 5,417 new jobs were created with investment funds in the amount of soums;

1.2 trillion for 423 projects in the field of service provision. 3,665 new jobs were created by investment funds in the amount of soums;

1.3 billion for 500 projects in the field of agriculture. investment funds in the amount of soums were introduced, and 2,976 new jobs were created [3]

On October 2, 2020, the order of the governor of the Samarkand region aimed at systematically and effectively organizing the implementation of tasks related to the improvement of the system of state and community building and the wide promotion of the investment and economic potential of the region to foreign partners in the Action Strategy was adopted.

According to the order, the "Investition Portal" (www.invest.gov.uz) was established. For this purpose, the investment and foreign trade departments have been assigned personnel responsible for providing reliable information.

In evaluating the innovative potential of the regions, along with the innovative potential of the region, its economic growth, the state's policy in the development of the region, and important ways of attracting investment in the region are used. During the visit of the President of the Republic of Uzbekistan, Sh.M. Mirziyoyev, to the Samarkand region on April 15–16, 2021, a value of 30 trillion 450 billion will be implemented in the region in 2021–2022. As a result of the implementation of the project, 25,772 jobs will be created [4]. As of January–September 2021, investments in fixed capital in the Samarkand region totaled 12,170.8 billion. organized soum. (Table 1) [5] We can see their share by district in the table below.

Capital investments in the Samarkand region, January–September 2021

№	Regions	Share by region (in percent)
1.	Samarkand city	37.1
2.	Kattakorgan city	4.0
3.	Akdarya district	2.7
4.	Bulung’ur district	2.4

5.	Jomboy district	2.1
6.	Ishtikhon district	2.7
7.	Kattakorgan district	2.0
8.	Koshrabot district	5.0
9.	Narpay district	1.8
10.	Payariq district	2.7
11.	Pastdarg'om district	5.9
12.	Paxtachi district	3.1
13.	Samarqand district	15.5
14.	Nurabad district	4.0
15.	Urgut district	5.2
16.	Tayloq district	3.7

As can be seen in the above table, the amount of capital investment in Samarkand region (37.1) and Samarkand district (15.5) is higher than in other districts. But in the rest of the regions, these indicators are almost below average. This indicates that it is necessary to increase the amount of capital invested in these regions.

In our opinion, today we consider it necessary to carry out the following activities to attract investments to the region:

First, improvement of the bank-credit system

Second, to further strengthen the protection of the rights of investors.

Third, removing bureaucratic obstacles

Increasing the investment potential in the Samarkand region of Uzbekistan involves implementing a range of mechanisms and strategies to attract domestic and foreign investments. Here are some mechanisms to enhance the investment potential in the region:

Infrastructure Development: Invest in infrastructure projects such as transportation, energy, and utilities. Improved infrastructure can reduce business costs, enhance connectivity, and make the region more appealing to investors.

Investment Promotion Agencies: Establish or enhance investment promotion agencies that can provide information, support, and incentives to potential investors. These agencies can help streamline the investment process and serve as a one-stop shop for investors.

Special Economic Zones: Create special economic zones or industrial parks within the region. These zones often come with tax incentives, simplified regulations, and improved infrastructure to attract investments in specific industries.

Legal Reforms: Simplify and streamline the regulatory environment for businesses. Ensure that property rights are well protected, and reduce bureaucratic hurdles for investors. Creating investor-friendly legal frameworks can significantly boost investment.

Incentives and Tax Breaks: Offer incentives, tax breaks, and other financial advantages to attract investors. These may include reduced corporate taxes, customs duty exemptions, or grants for specific industries or projects.

Access to Finance: Improve access to financing for businesses through partnerships with banks, microfinance institutions, and other financial intermediaries. Encourage the establishment of venture capital and private equity funds.

Workforce Development: Invest in education and training programs to ensure a skilled and adaptable workforce. This can make the region more attractive to knowledge-based industries.

Promotion and Marketing: Promote the Samarkand region to both domestic and international investors. Engage in marketing campaigns and participate in trade fairs and investment forums to showcase the region's potential.

SME Support: Support small and medium-sized enterprises (SMEs) through access to finance, training, and market linkages. SMEs are often a crucial source of economic growth and job creation.

Strengthening the Rule of Law: Ensure that the rule of law is robust and consistently enforced. This builds investor confidence by guaranteeing that contracts and investments are protected.

Sector-Specific Development: Identify and prioritize key sectors with growth potential in the region and tailor policies and incentives to encourage investment in those areas. This might include the tourism, agriculture, manufacturing, or technology sectors.

Public-Private Partnerships (PPPs): Encourage partnerships between the public and private sectors to finance and develop infrastructure projects. PPPs can reduce the government's financial burden and attract private investment.

Transparency and Governance: Promote transparency and good governance practices to create a favorable investment climate. Anti-corruption measures and transparent decision-making processes are essential.

Environmental Sustainability: Emphasize sustainable and environmentally friendly investments to align with global trends and attract responsible investors.

Investor Services: Develop investor services that assist investors with permits, licensing, land acquisition, and other administrative tasks.

Creating a business-friendly environment and providing a clear path for investment can significantly enhance the investment potential in the Samarkand region.

It is important to continually assess the region's strengths and weaknesses and adapt investment promotion strategies accordingly.

To sum up, in order to increase the investment potential in the Samarkand region, it is necessary to attract investments to each of the regions of our region, present promising project proposals for business entities wishing to invest, and systematically ensure the development and implementation of quality projects with foreign partners. It will be necessary to foster mutually beneficial cooperation, create favorable conditions for the activity of investors, and develop measures to attract investments.

References:

1. Decree of the President of Uzbekistan "On the development strategy of the new Uzbekistan for 2022-2026", No. PD-60 dated 28.01.2022
2. Law of the Republic of Uzbekistan "in providing employment to the populace." (in the new edition). T., 1998, 4–10 p.
3. Decree of the President of the Republic of Uzbekistan dated May 24, 2017: "On fundamental measures to further ensure the employment state policy and improve labor activity".
4. Collection of legal documents of the Republic of Uzbekistan. 2017, 21(781)-number.
5. Smith A. Research on the nature and causes of the wealth of nations. In 2 vols. M.: Nauka, 1993, 570 p.
6. Artykova D.A. Formation of employment of the population in the Republic of Uzbekistan. - T.: Fan, 2005, - 56-59 p.
7. Abdurakhmanov K.Kh. Labor economics (textbook). - T.: Work. - 2009. -512 p.
8. Potapov M.A., Salitsky A.A., Shakhmatov A.V. Economy of modern Asia. -M.: International relations. 2011.-264 p.
9. Pavlenkov V.A. Labor market. Employment. Unemployment. M.: MSU, 2004.- 584 p. 16.
1. Mardiyevna, S. G., & Farxodovna, M. R. (2023). Small Service Business Trends. *Nexus: Journal of Advances Studies of Engineering Science*, 2(5), 123-130.
2. Mardiyevna, S. G., & Ugli, Y. S. N. (2023). Development of Entrepreneurship Organizing Enterprise Activity Through. *Gospodarka i Innowacje.*, 35, 564-571.
3. Mardiyevna, S. G., & Panjiyevich, K. S. (2023). Economic Fundamentals of the Development of Services. *Gospodarka i Innowacje.*, 35, 600-607.
4. Shadiyeva, G., & Isoqulov, Z. (2023). NARPAY TUMANIDA KAMBAG‘ALLIKNI QISQARTIRISH VA AHOLI BANDLIGINI TA‘MINLASHDA AHOLI XOHISH ISTAKLARI. *Евразийский журнал права, финансов и прикладных наук*, 3(3), 169-179.
5. Шадиева, Г. М. (2023). ОИЛА ХЎЖАЛИГИНИНГ ИҚТИСОДИЙ МУСТАҚАМЛИГИНИ ТАҲЛИЛ ҚИЛИШ ЙЎЛЛАРИ. *Journal of new century innovations*, 21(1), 91-94.
6. Shadiyeva, G. M., & Akbarovna, K. S. (2023). THEORETICAL VIEWS ON CONCEPTS OF ENTREPRENEURSHIP. *Journal of new century innovations*, 20(3), 42-45.
7. Shadiyeva, G. M., & Urozaliev, E. (2022). THE ESSENCE AND STAGES OF DEVELOPMENT OF THE DIGITALIZATION OF THE ECONOMY. *Galaxy International Interdisciplinary Research Journal*, 10(12), 963-971.

8. Shadieva, G. M., & Urozaliev, E. (2022). THE ESSENCE AND STAGES OF DEVELOPMENT OF THE DIGITALIZATION OF THE ECONOMY. *Galaxy International Interdisciplinary Research Journal*, 10(12), 963-971.
9. Shadieva, G. M., & o'g'li Isoqulov, Z. S. (2022). WAYS TO REDUCE POVERTY. *Galaxy International Interdisciplinary Research Journal*, 10(12), 957-962.
10. Shadieva, G. M., & Kulmuradova, R. (2022). THE ROLE OF FAMILY BUSINESS IN IMPROVING THE STANDARD OF LIVING AND ENSURING THE WELL-BEING OF THE POPULATION. *British View*, 7(4).
11. Nodirovna, M. S. (2023). Developing Rural Services and Increasing the Living Standards of the Population in the Republic of Uzbekistan. *Gospodarka i Innovacse.*, 35, 653-661.
12. Шадиева, Г. М. (2023). ОИЛА ХЎЖАЛИГИНИНГ ИҚТИСОДИЙ МУСТАҲКАМЛИГИНИ ТАҲЛИЛ ҚИЛИШ ЙЎЛЛАРИ. *Journal of new century innovations*, 21(1), 91-94.
13. Abdukhalilovich, S. S., & Ugly, S. F. S. (2023). THE ESSENCE OF THE CONCEPT OF POVERTY. *Journal of new century innovations*, 27(1), 97-100.
14. Abdukhalilovich, S. S., & Ugly, S. F. S. (2023). THE ESSENCE OF THE CONCEPT OF POVERTY. *Journal of new century innovations*, 27(1), 97-100.
15. Mardievna, S. G., & Zhamshedovich, K. Z. (2023). THE ROLE OF FAMILY BUSINESS IN THE DEVELOPMENT OF THE SERVICE INDUSTRY. *Thematics Journal of Commerce and Management*, 7(1).
16. Шадиева, Г. М. (2023). ОИЛА ХЎЖАЛИГИНИНГ ИҚТИСОДИЙ МУСТАҲКАМЛИГИНИ ТАҲЛИЛ ҚИЛИШ ЙЎЛЛАРИ. *Journal of new century innovations*, 21(1), 91-94.
17. Mardievna, S. G., & Shukhatovna, M. S. (2021). Ways to increase investment potential in samarkand region. *Academicia Globe: Inderscience Research*, 2(11), 44-50.
18. Шадиева, Г. (2021). Оила тадбиркорлигини ривожлантиришда инновацияларнинг айрим назарий жиҳатлари. *Экономика и образование*, (1), 121-126.
19. Мамаюнус, П., & Мардиевна, Қ. Ш. Г. (2021). Маркетинг фаолиятида қўлланиладиган ахборотлар тизими ва уларнинг таснифи. *Development Issues Of Innovative Economy In The Agricultural Sector*, 278.
20. Shadieva, G. M., & Akbarovna, K. S. (2023). THEORETICAL VIEWS ON CONCEPTS OF ENTREPRENEURSHIP. *Journal of new century innovations*, 20(3), 42-45.
21. Shadiyeva, G., & Kholmirzaeva, G. (2022). FAMILY BUSINESS AND ITS DEVELOPMENT. *Eurasian Journal of Academic Research*, 2(8), 148-151.
22. Shadieva, G., & Saidmurodov, F. (2022). DEVELOPMENT OF NATIONAL TOURISM AND THEORETICAL FOUNDATIONS OF ITS COMPETITIVENESS. *Eurasian Journal of Academic Research*, 2(8), 115-124.
23. Шадиева, Г. М., & Кувандиков, Ш. О. (2022). РОЛЬ СЕМЕЙНОГО ПРЕДПРИНИМАТЕЛЬСТВО В РАЗВИТИИ ЭКОНОМИКИ СТРАНЫ. *Current Issues of Bio Economics and Digitalization in the Sustainable Development of Regions*, 59-63.
24. Mardiyevna, S. G., & Abdusamatovich, J. J. (2022). SANOAT 4.0 KONSEPSIYASI VA UNGA TA'SIR ETUVCHI RISKLAR. *Current Issues of Bio Economics and Digitalization in the Sustainable Development of Regions*, 712-721.
25. Пардаев, М. Қ., & Шодиева, Г. М. (2001). Оила хўжалиги иқтисодиёти ва тадбиркорлиги. Самарқанд, СамКИ, 151.

26. Shadieva, G. M. (2022). SOCIO-ECONOMIC CONCEPT OF" FAMILY ECONOMY". *Confrencea*, 1(1), 239-243.
27. Шадиева, Г. М., & Садинова, Б. Б. (2022). Мамлакатимизда тадбиркорликни ривожлантириш йўллари.
28. Mardievna, S. G., & Zhamshedovich, K. Z. (2023). SYNERGETICS AND ITS ROLE IN SOLVING PROBLEMS OF FAMILY BUSINESS. *British View*, 8(1).
29. Mardievna, S. G., & Zhamshedovich, K. Z. (2023). THE ROLE OF FAMILY BUSINESS IN THE DEVELOPMENT OF THE SERVICE INDUSTRY. *Thematics Journal of Commerce and Management*, 7(1).
30. Шадиева, Г., & Шакирова, Ф. (2021). ИҚТИСОДИЁТНИ РАҚАМЛАШТИРИШГА ТРАНСФОРМАЦИЯЛАШУВИДА ИНТЕЛЛЕКТУАЛ МУЛКНИ РАСМИЙЛАШТИРИШНИНГ АЙРИМ МАСАЛАЛАРИ. *Экономика и образование*, (5), 381-384.
31. Mardievna, S. G., & Zhamshedovich, K. Z. (2023). THE ROLE OF FAMILY BUSINESS IN THE DEVELOPMENT OF THE SERVICE INDUSTRY. *Thematics Journal of Commerce and Management*, 7(1).
32. Шадиева, Г. М. (2022). ОИЛА ХЎЖАЛИГИ ФАРОВОНЛИГИНИ ОШИРИШДА ОИЛАВИЙ БИЗНЕСНИНГ РОЛИ. *Архив научных исследований*, 2(1).
33. Shadieva, G. M., & Kulmuradova, R. (2022). THE ROLE OF FAMILY BUSINESS IN IMPROVING THE STANDARD OF LIVING AND ENSURING THE WELL-BEING OF THE POPULATION. *British View*, 7(4).
34. Шадиева, Г. (2021). Оила тадбиркорлигини ривожлантиришда инновацияларнинг айрим назарий жиҳатлари. *Экономика и образование*, (1), 121-126.
35. Shadieva, G. M., & o'g'li Isoqulov, Z. S. (2022). WAYS TO REDUCE POVERTY. *Galaxy International Interdisciplinary Research Journal*, 10(12), 957-962.
36. Mardiyevna, S. G., & Ugli, A. U. A. (2023). PROVIDING EMPLOYMENT OF THE POPULATION IN RURAL AREAS IN THE DIGITAL ECONOMY. *Research Focus*, 2(1), 7-10.
37. Pardaeva, O. M., & Shodieva, G. M. (2020). The role of family entrepreneurs in society
38. development. *American Journal of Economics and Business Management*, 3(5), 194-200.
39. Шадиева, Г. (2021). ОИЛА ТАДБИРКОРЛИГИНИ РИВОЖЛАНТИРИШДА ИННОВАЦИЯЛАРНИНГ АЙРИМ НАЗАРИЙ ЖИҲАТЛАРИ. *Экономика и образование*, (1), 121-126.
40. Shadiyeva, G., & Isoqulov, Z. (2023). NARPAY TUMANIDA KAMBAG'ALLIKNI QISQARTIRISH VA AHOLI BANDLIGINI TA'MINLASHDA AHOLI XOHISH ISTAKLARI. *Евразийский журнал права, финансов и прикладных наук*, 3(3), 169-179.
41. Мамаюнус, П., & Мардиевна, Қ. Ш. Г. (2021). Маркетинг фаолиятида қўлланиладиган ахборотлар тизими ва уларнинг таснифи. *Development Issues Of Innovative Economy In The Agricultural Sector*, 278.