

WAYS TO CREATE A FAVORABLE INVESTMENT ENVIRONMENT BASED ON THE DEVELOPMENT OF THE DIGITAL ECONOMY IN UZBEKISTAN

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Abstract

The article is devoted to the directions of creating a favorable investment environment based on the development of the digital economy in Uzbekistan. The article was written with the aim of studying the development of the digital economy at the global level, identifying the problems and prospects for creating a favorable investment environment based on the development of the digital economy in Uzbekistan. The theoretical aspects of creating a favorable investment environment based on the development of the digital economy in Uzbekistan are disclosed. As a result of the study, proposals and recommendations were developed.

Keywords: investments, investment environment, digital economy, economic development, investor, ICT, political and legal environment.

Introduction. Today, the issue of formation and development of investment activity in the Republic of Uzbekistan is very urgent. Modern Uzbekistan is a leading industrial country in the Central Asian region, which ensures the stability and economic development of the entire region. Among the advantages that the modern economy of Uzbekistan offers to foreign companies are political and macroeconomic stability, favorable natural and climatic conditions, hospitable and hardworking people and many other advantages.

Of all the advantages, the main success factors of doing business in Uzbekistan are: rich resource base; convenient geographical location in the center of large regional markets; transport-logistics system integrated into the network of international surface and air communications; multi-sectoral production base and scientific-intellectual, human resources potential of the republic.

The investment legislation of the Republic of Uzbekistan is the most advanced legislation in the legal system of most countries, and incorporates the main rules of international investment law, in particular, the rules of guaranteeing the rights of foreign investors and providing them with certain benefits. There are no restrictions on the form of investment in the Republic of Uzbekistan. Foreign investors can establish enterprises on the territory of the republic in any organizational and legal form permitted by legislation.

It is known that in the current conditions, it is of great importance to create a favorable investment environment based on the development of the digital economy in Uzbekistan. As the President of our country noted, "There is no future for the country's economy without a digital economy." The implemented reforms are being implemented consistently not only in our country, but also in various spheres and sectors of the economy.

The rapidly developing digital technologies in the world are leading to qualitative and technological changes in the socio-economic activities of countries, economic policy and the structure of state administration. Differences in development between countries are increasing as a result of the change in the rate of adoption of such digital technologies and their wide application in economic and social life. The growth rate of the "digital economy" in the world is almost 25 percent.

The rapid implementation of the elements of the digital economy will lead to the formation of a favorable

investment environment in Uzbekistan and, as a result, to the development of the economy.

Also, in the Decree of the President of the Republic of Uzbekistan "On the development strategy of the new Uzbekistan for 2022-2026" it was determined that "rapid development of the national economy and ensuring high growth rates" are urgent tasks.

Based on the above points, we believe that digital economy is important in creating a favorable investment environment in our country.

Literature analysis on the topic

The role of the digital economy in determining the competitiveness of countries in the process of globalization is of great importance. No matter what branch or sector of the economy we see, we see a place for digital technologies in all of them. We see the innovative digital share of the country increasing at the level of public services, starting with services in every system. The role of the digital economy in determining the competitiveness of countries in the process of globalization is of great importance. No matter what branch or sector of the economy we see, we see a place for digital technologies in all of them.

National and foreign economists contributed to the creation of a favorable investment environment based on the development of the digital economy in Uzbekistan.

First of all, M. Kastells gave the following definitions when explaining the development of the existing digital economy: The network economy is an economy capable of working as a single system in real time on a planetary scale.

If we talk about the world's information economy and innovative development, then its foundations have been transformed into a real construction in the form of an innovative system of the national economy and a national innovative infrastructure that transforms the economy in the form of effective institutions. creation, storage and transfer of knowledge into innovative technologies and products. In connection with the digital economy, investment concepts have also become widely used.

The investment program in the period of modernization of the country serves the more active socio-economic development of Uzbekistan, ensuring the stability of its macroeconomic indicators. At the same time, it involves significant investments in infrastructure development along with production projects. This indicates that the state has realized that the success of the socio-economic

development of the entire country depends on the efficiency and quality of the transport and utility infrastructure, which can be achieved through the development of the digital economy.

The growing importance of the digital economy is evidenced by the fact that within 100 years, the share of virtual products in the GDP will increase 20 times more than the size of the GDP and the weight of traditional products. One of the authors of the concept of "digital economy" is N. Negroponte states the following about this concept. Where there is internet, economies grow and networks gravitate towards cities with high internet speeds.

According to experts from foreign countries: "Digital economy is the transformational effects of new general-purpose technologies in the field of information and communication."

Digital economy is economic production using digital technologies. "Philosophically, this term is defined very broadly: "the digital economy is a virtual environment that complements our reality".

According to a number of economists, the investment climate is the economic, financial, and socio-political conditions in a region that influence an investor's propensity to grant loans or invest in company shares, as well as to borrow or borrow. Factors affecting the country's investment attractiveness are divided into "soft" and "hard" (unchangeable or burdensome). Soft ones include the regulatory and legal framework, financial and tax incentives, communication between government and business, professional business support and administrative processes.

Vakhobov A., one of the famous economists of Uzbekistan. and others gave the following opinions about the investment environment: "Investment environment is the degree of volatility of foreign capital investments and their effectiveness in the country" A. Vakhobov, Sh. Khajibakiev, N. Muminov from the lims emphasize the following about the investment environment: "Investment environment is the level of foreign capital investments is a set of economic, political, legal and social factors that predetermine the level of vulnerability and the possibilities of their effective use in the country."

Also, among the economists G'ozibekov D., Karaliev T. "Investment climate is a concept used in a very broad sense and embodies all the problems and issues considered by investors." " In the scientific works of well-known national and foreign economists and scientists, issues related to the problems of creating an investment environment based on the development of the digital economy were considered.

Research methodology

General scientific methods and methods such as scientific abstraction, grouping methods, comparison, etc. were used as research tools.

Compiling the list of characteristics that make up the investment environment is also a rather laborious and subjective process due to the high degree of interdependence of the identified elements. For example, noting legislation and regulations as one of the factors of formation of the investment environment, it should be understood that this aspect directly or indirectly affects most of the other characteristics. That is, there is a partial similarity of a number of factors that should be taken into account when conducting a deeper analysis. Analysis and result.

The entire list of various characteristics that affect the investment environment can be divided into three

large categories - the state of the political and legal environment, the level of economic development of society and the characteristics of the socio-cultural environment. Each of the group of factors requires a separate analysis, taking into account its uniqueness and relationship with other characteristics.

Before investing in certain objects, each investor studies the comfort of the investment environment, evaluates its attractiveness, determines potential and assesses possible risks (Fig. 1).

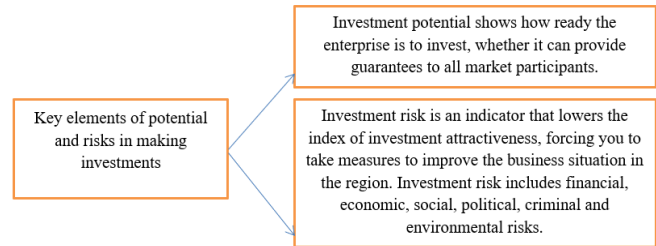


Figure 1. Key elements of potential and risks in making investments¹¹

The question arises as to which projects are attractive for investment in the regions.

In the Republic of Uzbekistan, projects aimed at fundamentally improving the business environment and achieving economic growth are noteworthy. These are projects with a wide range of activities. A favorable investment environment is the basis for investment in production, modernization of production, technical re-equipment. Regional and municipal authorities support investments in the social sector - housing construction, health care and agriculture. Management of investment projects aimed at modernization and development of regional infrastructure, creation of new jobs, implementation of targeted programs is supported in every way.

Quality assurance and execution are important to investors. For this, the following conditions must be met (Figure 2):

Assurance and quality of execution for investors in making investments	1. Ensuring protection of investment capital
	2. Formation of effective project team, working groups, development of investor support program
	3. Development of investment infrastructure
	4. Reduction of administrative barriers and development of understandable mechanisms of mutual relations between the parties
	5. Development of incentive system for participants of investment projects
	6. Ensuring a stable and transparent tax system
	7. Monitoring and conducting audits on the current state of the investment environment in the region

Figure 2. Assurance and quality of execution for investors in making investments

In order to improve the investment environment, special benefits are created for investors, tax rates are reduced for some areas of investment, subsidies, preferential loans are allocated, and free economic zones are established.

In order to develop the economy of Uzbekistan, "Collective forecast parameters of capital investments in 2022-2024. They envisage the absorption of centralized

and decentralized investments in the amount of 1,025.5 trillion soums, including foreign investments in the amount of 41.4 billion US dollars. Over the past five years, the share of information and communication technology (ICT) multinationals in international production has increased dramatically.

Regional cooperation in Internet infrastructure investment can make infrastructure projects more attractive to international investors. In order to accelerate digital development, it is necessary to encourage investment in local digital content and local digital services. This includes active support measures, which may include the creation and support of favorable conditions for regulating the activities of digital companies, as well as the creation of technological or innovative projects; creation or improvement of electronic government services. Relationships with global companies can be useful, but to develop the digital sector, local entrepreneurship must first be supported. Encouraging companies to invest in ICT, as well as establish business relationships and participate in global industrial cooperation, should become an important component of the policy to promote digital development.

Tariffs and taxes on devices, as well as taxes on Internet access, also affect the real costs of ICT adoption by companies. Making cloud services easier to access can help reduce them.

It is important to focus on creating modern regulatory mechanisms in areas such as ensuring data security and privacy, protecting intellectual property, consumer interests, and cultural values. It is necessary to take political measures to mitigate the negative socio-economic consequences. Governments must find a balanced approach that takes into account the interests of both society and private investors. Investment policymakers should take an active approach to formulating digital development strategies. Not only should they be ready for radical changes in their fields of activity, but they can make an important contribution to the development and implementation of digital industrial policy. Digital development should find its place in investment policy, and investment policy should find its place in digital development strategies.

The digital economy is not limited to the ICT sector and digital companies. It is noted that the greatest economic gains will come from the transition to digital processes and the introduction of digital technologies within value chains in all sectors of the global economy. Such digital technologies can be used at all stages of value creation, including logistics, production, coordination of activities within production unit networks, external logistics and customer relations.

As digital companies establish international production processes, businesses in many other industries can judge their future. They may represent the last stage of a transformation process that affects all multinational enterprises to one degree or another. Today, digital technologies do not have a major impact on the international positions (foreign assets, sales volume and number of employees) of non-digital multinationals, but the trend towards asset-less international production models and alternative management methods is already gaining momentum. In addition to the digital sector, the digitization of multinational enterprises can change the nature of international production in various ways. Various scenarios are possible that affect the direction of international production trends, the nature of international production (types of economic activity affected) and the results of international production activities. For

example, creating an overview of 33 digital manufacturing facilities and 3D printing can lead to reduced investment in more countries. Conversely, big data and mass-to-order production may result in fewer large manufacturing facilities remaining in the economy. Digital technologies are accelerating the transformation of the economy into a service economy, which may lead to an increase in the presence of foreign branches in this sector. At the same time, the increasing role of technology and intellectual property in the process of value creation may lead to the return of some production processes outsourced to the country. Finally, the trend toward disintermediation as a result of the development of the digital economy may drive certain types of businesses, such as retailers and distributors, out of business in host countries. At the same time, new cooperation relationships are formed in the field of distribution, opening up opportunities to provide new types of high value-added services.

The expansion of the network of mobile base stations allows to create conditions for provision of mobile communication services (increase the level of coverage) for 98% of the population of our country, including up to 90% of high-speed communication.

According to the researchers, the expansion of the network of mobile communication stations is due to the installation of new stations that ensure the operation of 3G/4G networks, and projects for the installation of 15 base stations of the fifth generation - 5G have been implemented in Tashkent.

Summary

Digital economy is one of the most promising areas of innovative development of modern economic systems. Despite the significant market prospects associated with the steady growth of demand for digital technologies and virtual products and the determination of the potential high profitability of investment projects in the digital economy, these projects, as a rule, require significant support from the state.

Firstly, it is related to the need to form and develop the legal framework, regulation and infrastructure of the digital economy.

Secondly, projects in the field of digital economy are important for the national economy, as they ensure the preservation and increase of its global competitiveness in the long term in the context of the global digitization trend.

Third, the unprecedented novelty of the digital economy creates a high-risk component of investments in digital projects. Therefore, despite the expected high profitability, most private investors are wary of digital projects and participate in them at least when there are state guarantees. Consequently, the state is forced to bear large costs to participate in investment projects in the digital economy.

Based on the above, the study of investment barriers that arise on the way to the development of the digital economy is also of particular importance for the modern economy.

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