INCREASING FOREIGN INVESTMENT FOR THE DEVELOPMENT OF THE ECONOMY

Umarova Gulzoda Kodirbekovna
Assistant professor of the Department of social, humanitarian and specialty sciences,
Andijan faculty of Tashkent Institute of Finance, Andijan, Uzbekistan
Kodirova Shakhnozabonu Umidillokhon kizi
Student of direction of banking and audit,
Andijan faculty of Tashkent Institute of Finance, Andijan, Uzbekistan

Abstract: The role of investments in economic development is determined by the fact that thanks to them, the accumulation of social capital, the introduction of scientific and technological achievements is carried out, as a result of which a basis is created for expanding the production capabilities of countries and their economic growth.

The relevance of the research is due to the fact that the securities market is one of the key mechanisms for accumulating monetary resources for investment purposes, modernization of the economy, and stimulating the development of production. Along with this, as long-term experience shows, global securities markets can be a source of global financial instability, macroeconomic and social risks.

Key words: investors, payments, important, obligation, management activities, financial costs, investments.

Investments determine the process of expanded reproduction. The construction of new enterprises, the construction of residential buildings, the laying of roads, and, consequently, the creation of new jobs depend on the process of investment or real capital formation.

The concept of the multiplier accelerator helps to understand the balance problems associated with the correspondence between investments and savings. All of the above and some factors determine the relevance of this article.

Investing in bonds is considered one of the stable ways of passive income. At the moment, securities offer lower yields than stocks, but are highly reliable.

Bonds are debt securities. They are issued by the issuer and sold to investors at a set price. Trades are held on stock exchanges. When investors buy bonds, they provide issuers with a certain amount of money as a loan. The securities have a maturity date, after which the issuer undertakes to return the borrowed funds to the investor in full. Both large companies and individuals can invest in this group of financial assets.

The main advantages of bonds:

- guaranteed coupon payments are interest dividends on the face value of an asset;
- availability of maturity – the moment of obligatory redemption of the bond;
- the investor does not act as an active participant in management activities.

Debts to creditors are repaid first. Types of bonds:

- municipal, state: characterized by a minimum level of risk and relatively low profitability;

Securities can be classified according to several different criteria [5, p. 16].

1. By right of presentation, securities can be of three types:

- Registered securities, on which the name of the owner and the owner's rights to such a paper are indicated, must be confirmed by entering the owner's name in the text of the paper itself (or the certificate replacing it) and in the register maintained by the issuer. Such securities can be sold on the secondary market, but to register the transfer of ownership, registration of transactions in the register is required, which complicates the turnover of registered securities on the market. Therefore, in foreign practice, such securities are owned by members of the Board of Directors and are inherited. In Russia, until 1996, only registered securities were issued.

- Bearer - these are securities on which the name of the owner is not indicated. Most often they are issued in small denominations and are intended for investment by a wide range of people. Their main distinguishing feature is the free transfer from hand to hand, which makes it possible to have an unlimited secondary market.

- Order securities, on which the owner's details are indicated, but they can be transferred to another person by endorsement (transfer inscription). An example is a bill of exchange.

2. By belonging to the debt, they are divided into:

- Debt securities representing the issuer's debt obligation. At the expiration of the term, the bonds are redeemed. Debt securities reflect the loan relationship between their owners and the issuer, which undertakes to redeem them on time and pay a certain percentage. An example of debt securities are bonds.

- Short-term (equity) securities that assume a share in the company's capital. Such securities are not redeemable, and the issuer is not obliged to return the money received on them. Equity securities secure the rights of the owner to a part of the company's property during its liquidation, confirm the owner's participation in the formation of the authorized capital, give the right to receive part of the profit, to participate in the management of the enterprise, as well as to receive information. Equity securities include shares, investment units [6, p. 37].

3. Securities are usually divided into:

- Short-term. According to the classification generally accepted in Western markets, these include securities with a maturity or the realization of the rights embedded in them up to 1 year.
- Medium-term - from 1 to 5 years.
- Long-term - over 5 years.
- Perpetual, which do not have a maturity date (for example, shares).
- With a deadline upon presentation (for example, a voucher).

4. According to the status of the issuer of securities, they are distinguished:

a. Government securities issued by the Ministry of Finance or Treasury.

b. Municipal, issued by local authorities, municipalities.

c. Corporate, issued by legal entities.

d. Foreign, i.e. securities of a foreign state that are traded on the territory of this country.

e. International, offered by international financial organizations.

f. Bank certificates issued exclusively by banks (deposit and savings certificates).

g. Non-bank securities, the issuers of which can be both banks and non-bank organizations (stocks, bonds).

In addition, securities can be divided into stock and commercial. Stock - those that are traded on the stock exchange. These include stocks and bonds. Commercial - are associated with the release of goods or have a commodity basis, for example, bills of lading, bills of lading. There are also primary and secondary securities. Primary securities are securities that give the right to income or a share of capital (stocks and bonds).

Secondary securities give the right to purchase primary securities and are divided into options, which give the right to purchase shares and bonds on the secondary market, and vouchers, which give the right to purchase shares on the primary market or during their initial placement.

At the same time, depending on the properties performed, they can be divided into classic securities that perform all of these properties (stocks and bonds), derivative securities (having only part of the properties - marketability; these include options, futures, warrants), financial instruments (issued by financial institutions and having only a set of properties - certificates of deposit). In general, investing in bonds is a stable passive income. The investor just needs to correctly collect an investment portfolio and analyze a security before adding it to himself.

At the moment the priority areas for investment are: the fuel and energy complex, agribusiness, infrastructure, including transportation, telecommunications, and social infrastructure. Promising forms of attracting foreign capital represented

such as financial leasing, the sale of shares of large enterprises to foreign companies, foreign investment in the venture capital industry.

In the context of deepening economic reforms and liberalization of the economy of the Republic of Uzbekistan, the role and importance of the problem of broad attraction of foreign investment in the economy is increasing for the implementation of deep structural shifts, technical re-equipment of production, growth of competitiveness of products, the successful implementation of the tasks requires a deep study of the accumulated experience of solving the problem of attracting foreign capital to the economy of the country, the development of new approaches and methods of stimulation. A lot has been done in this area in recent years: legal frameworks have been developed and relevant laws have been adopted; the necessary regulatory and methodological framework for assessing the investment climate in the republic has been created. At the same time, the change in the forms and methods of the investment process, the transition to projects and programs for the development and use of investments, including foreign ones, required the improvement of existing methods and techniques for stimulating the attraction of foreign capital, taking into account the accumulated world experience.

The macroeconomic approach leads to the identification of a contradiction between the desire to increase consumption, which causes a decrease in accumulation, i.e. invested sources, and, on the other hand, a decrease in the produced social product and, thereby, a decrease in consumption. A decrease in productive investments, i.e. future means of production, leads to a decline in production itself, the national product produced and the national income from which consumption is formed.

Under such conditions, even an increased share of consumption in national income will not lead to an increase in consumption. As a result of a decrease in the overall level of national income, the volume of consumption decreases, and either foreign aid or the sale of the country's national wealth can prevent such a decrease. There is practically only one way out of this "economic trap" - compliance with the rational ratio of accumulation and consumption. No matter how difficult the socio-economic situation in the country is, it is impossible to cut investments, sacrifice the future for the sake of the present.

Production investments are future fixed assets of production, fixed capital. The fact that fixed capital is the determining factor of production has long been recognized by leading scientists and economists of the world, i.e. the volume of the product produced depends on fixed capital (investment volume) and labor resources employed in production, and grows with an increase in production factors. Consequently, to increase the volume of production, to ensure economic growth, it is necessary to increase either capital or labor resources, or both factors simultaneously.

Since the possibilities of increasing the labor factor are limited, the main source of growth is capital, which can be increased by increasing investments. Such a two-factor model is somewhat simplified, it does not explicitly take into account such factors as the scientific and technical level of production. But even with this approach, it is clear that investments in science, technology and technology are needed for the large-scale use of these factors. Building up labor resources and increasing their returns is also not possible without investing in human capital. The activity of investment resources as an economic factor is also predetermined by their unique property, the "multiplier effect". Investments in one of the industries cause the need for investments in industries adjacent to them. As a result, there is an inevitable secondary flow of investment in the production of related industries. The waves generated by primary investments, of course, fade, the second wave is weaker than the first, and the third wave is weaker than the second. But, in general, the multiplier effect leads even within a year to about doubling of initial investments, which is confirmed by the economic practice of a number of countries. This effect has the opposite effect: the outflow of investments from one industry causes an additional outflow of them from related industries over time. Thus, the role of investment in the economy is truly invaluable.

Attracting foreign investment is one of the most important conditions for ensuring structural transformations of our economy, modernization of production and export growth. Foreign investments, first of all, should be directed to the leading sectors of the economy, which should become the locomotives for the renewal of the entire economy and stable growth.

It is not by chance that investments are called the "fuel" of the economy, its blood, the trigger for business. Their importance for the development of the state is so obvious that this topic has become an integral part of numerous economic publications. Foreign investments play an extremely important role in the implementation of structural transformations of the economy of Uzbekistan, since the productive forces of the republic need large investments for modernization and reconstruction, and domestic sources of investment financing are insufficient. Therefore, attracting foreign investments on a large scale pursues strategic goals and is one of the most important directions of the state policy.

An important factor in the investment climate is the system of financial and economic incentives and benefits for foreign investors, which is focused on increasing foreign direct investment in the manufacturing sector and, in particular, in industries and industries with great export potential. Further deepening of economic reforms implies the development and implementation of a new strategy for attracting foreign investment, based not on the "point" investment of individual industries, industries, but on a comprehensive, program-targeted approach, consisting in the

creation and implementation of targeted or complex investment programs covering the entire set of enterprises of various industries located on the same territory. These can be territorial production complexes, special economic, export or other zones.

Moreover, the most important are not current short-term programs, but long-term ones designed to solve strategically significant tasks of economic liberalization. These directions are implemented as the necessary conditions are formed and in direct connection with the nature and scale of general economic transformations of optimal forms of investment activity. These criteria include: the scope of activity and type of products (high-tech, technically complex, etc.); the scale of the project (small, medium, large); the strategic purpose of attraction (from the import of equipment to the use of production and management experience).

The study of the advantages and disadvantages of existing forms of attracting foreign investment shows that direct investments can be considered the most acceptable, since they are characterized by the presence of long-term investor interests in the economy of the host country and cause greater benefits compared to external loans.

Today we can safely state that Uzbekistan is going through a period of significant investment growth. Now there is a fundamentally different task on the agenda, quantitative indicators should develop into qualitative ones. This includes the orientation of investment flows to the development of high technologies, and increasing the competitiveness of the national economy, and achieving a high level of activity of state structures responsible for investment policy and improving the activities of judicial bodies and large-scale investment in human and social capital.

Over the years of independence, a favorable investment climate has been created in the Republic of Uzbekistan, a broad system of legal guarantees and benefits for foreign investors, and a comprehensive system of measures to stimulate the activities of enterprises with foreign investments has been developed. The investment legislation of the Republic of Uzbekistan is one of the most advanced in the system of legislation of the CIS countries, incorporating the main provisions of international investment law, in particular, provisions on guarantees of the rights of foreign investors, the provision of certain preferences for investors and others. The basis of legal regulation in the field of attracting foreign investment in the Republic of Uzbekistan is the Law "On Foreign Investment", the Law "On Investment Activity", the Law "On guarantees and measures to protect the rights of foreign investors", as well as a number of regulatory legal acts adopted in the form of decisions of the President of the Republic

Uzbekistan and government resolutions. For this purpose, a certain investment policy is being developed and implemented, and an appropriate investment climate is being formed.

Today, new horizons for investment are opening up in Uzbekistan – the most favorable conditions for business have been created, including political and macroeconomic stability, strong guarantees have been established to protect the rights of foreign investors and an extensive system of benefits is provided for them. In addition, foreign investors are attracted by low prices compared to neighboring countries for raw materials, materials, energy resources, and highly qualified labor. The Government of the Republic of Uzbekistan pursues an active policy in order to create the most favorable conditions for foreign investors. Speaking about the forms of participation of foreign investors in the privatization process in Uzbekistan, the following can be noted. Foreign investors can participate in the privatization process by acquiring a state share of property realized by the above methods. Basically, investors are interested in creating an enterprise with foreign investments, since such enterprises are provided with large tax benefits. An enterprise with foreign investments is an enterprise in which the share of a foreign investor in the authorized capital is at least 30%, and the size of the authorized fund is at least 150 thousand US dollars. Such a 30% share can be bought out in a privatized enterprise from among those blocks of shares that are sold on the stock market, then re-register this enterprise with the Ministry of Justice of the Republic of Uzbekistan as an enterprise with foreign investments. The process of attracting foreign investments into the economy of the republic is also carried out in the form of the creation of joint ventures with the participation of foreign capital (JV). In addition, it is one of the most modern forms of production organization in Uzbekistan. The study of the advantages and disadvantages of existing forms of attracting foreign investment shows that direct investments can be considered the most acceptable, since they are characterized by the presence of long-term investor interests in the economy of the host country and cause greater benefits compared to external loans.

In the report of the President of our country at the Cabinet meeting devoted to the results of the socio-economic development of the country in 2016 and the definition of the most important directions and priorities of the economic and social program of the Government of the republic for 2017, it was noted that more than 16.6 billion US dollars were invested in the economy, or 9.6 percent more than in 2015. The implementation of 164 major investment projects with a total value of 5.2 billion US dollars has been completed [1].

Summing up the above, we can draw an unambiguous conclusion: the implementation of market reforms in Uzbekistan, including deepening the privatization processes, achieving macroeconomic stabilization and ensuring sustainable economic growth, fundamental structural transformations in the national economic complex are inextricably linked with the implementation of an active investment policy.

References:

1. Report of the President of the Republic of Uzbekistan Shavkat Mirziyoyev at an expanded meeting of the Cabinet of Ministers dedicated to the results of the socio-economic development of the country in 2016 and the most important priority areas of the economic and social program for 2017. January 14, 2017. Tashkent.
2. Denisenko M.P. Basics of investment activity. - K., 2003. 178 p.
3. Ivanilov O.S. Business economics. Textbook.
4. Moiseyenko I.P. Investment. [Electronic resource] - 16th century.
5. Starodubtseva E.B. Securities market. - M.: FORUM, INFRA-M, 2006.
6. Batyaeva T.A., Stolyarov I.I. Securities market. - M.: INFRA-M, 2006.