



## FOREIGN EXPERIENCE IN ATTRACTING DIRECT INVESTMENTS TO UZBEKISTAN

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Today, the role and importance of investments on a global scale is incomparable. The level of development and economic growth of each country largely depends on investment processes. In the current era of globalization, the sustainable economic development of any society cannot be imagined without investments. Investments affect the rate and volume of reproduction in the economy, ensure scientific and technical development and employment of the population. In order to achieve sustainable growth of the economy, renewal of the main capital and structural changes in the financial sector, it is necessary to properly implement investment activities in economic sectors, attract local and foreign investments, and carry out rational development works.

After the independence of our country, the main attention was paid to the improvement of investment activities together with other sectors. In order to effectively start investment activities, it is appropriate to study the experiences of many foreign countries in conducting investment policy.

If we study the investment policy of the United States of America, one of the leading countries of the world, investment attraction and management, regulation issues, we can see that the investment climate in the USA is bright and attractive. The USA is a country with a developed economy and a well-established legal system. Currently, this country ranks among the leaders in the world in attracting foreign investments. Achieving such a result is greatly contributed by the fact that individual states of the country are empowered to attract investments.

The introduction of foreign capital into the economy has an impact not only on industrial, trade, scientific and technical and inflationary processes, but also on the national security of the country. Due to this, the following priority tasks for attracting investments in the USA have been defined:

- states and local government bodies are given independence for the economic development of their territory, private business and export of services and goods should be supported;
- attraction of foreign business capital and control of foreign investors;
- stimulating the growth of private business;
- use of incentive methods in fiscal policy.



During the fulfillment of these tasks, mutual competition between the states of the country in terms of attracting investments arose and served as a unique impulse for the development of investment policy. Due to this, it is possible to distinguish specific features in attracting and managing investments in the US economy:

- as a result of the policies carried out by individual states and the country, the active attraction of investments to the economy is ensured;
- promotion of capital export and import is carried out at the same level;
- abuse of the use of foreign investments, i.e. cases of corruption, violation of legal norms and financial and credit agreements should not be allowed;
- openness of the market for other participants;
- development of investment policy and tax system;
- the existence of a two-level system of investment activity regulation.

The US Office of Investment Affairs (OIA) implements sound investment policies to support jobs, economic growth, and prosperity. The main purpose of this office is to support the open investment policy of the United States, as well as to ensure the national security of the United States. The Office's investment climate reports provide country and economy-specific information on investment laws, investment measures, and other factors important to business decision making. In addition, the office conducts negotiations on bilateral investment agreements together with the US trade representative in order to facilitate investment opportunities around the world. The USA is a country with a developed economy and a well-established legal system. It also provides guidance and assistance to US companies involved in investment disputes with foreign governments<sup>1</sup>. It should be noted that the principles of economic freedom are followed in attracting and managing investments in the USA, and the government does not directly interfere in economic processes.

While studying the investment policy of foreign countries, if we look at the economy of Singapore, which has achieved the status of "East Asian Tigers", we can see that it is the most open and corruption-free economy. Electronics, manufacturing, shipbuilding and financial services sectors are developed in the country. The economy of Singapore develops depending on the export of products, especially in the fields of consumer electronics, information technology, pharmaceuticals and financial services. Transnational corporations play an important role in the country's economy. Singapore is a very favorable area for investors due to its low tax rates<sup>2</sup>. In addition, Singapore's legal framework and government policies are investor-friendly. Foreign investors are not required to enter into joint ventures or transfer management control to domestic

<sup>1</sup> Information from the website [www.state.gov](http://www.state.gov)

<sup>2</sup> Information from the website [www.wikipedia.uz](http://www.wikipedia.uz)



interests, and domestic and foreign investors are subject to the same basic laws. In addition to regulatory requirements in some sectors, eligibility for various incentive schemes depends on investment proposals meeting criteria set by the relevant government authorities. Singapore does not impose any restrictions on reinvestment or repatriation of income or capital. The judicial system, which includes international arbitration and mediation centers and commercial courts, ensures the sanctity of contracts and is generally transparent and efficiently enforced.

The Economic Development Board (EDB) is the lead agency for attracting foreign investment to Singapore. This Council undertakes investment promotion and industrial development and cooperates with foreign and local businesses by providing information and facilitating the introduction and use of government incentives for local and international investment. The government works closely with investors through the Council, which provides feedback to other government agencies to ensure infrastructure and public services are efficient and competitive. Exceptions to Singapore's general openness to foreign investment exist in sectors deemed critical to national security, including telecommunications, broadcasting, local media, financial services, legal and accounting services, ports, airports and property ownership. Under Singapore law, the articles of incorporation may contain shareholding limits that limit the ownership of such entities by foreigners.

The People's Republic of China is one of the leading countries in the world in attracting and managing investments. In China, he conducts the policy of promoting investments in the national economy. In attracting investments to the economy of China, the main attention is focused on special economic regions. In attracting investments to the economy of China, the main attention is focused on special economic regions. Support of foreign investments is one of the priority directions of economic development, so that the State Council of the People's Republic of China adopted circular on January 12, 2017 "On measures to expand the transparent and active use of foreign investments"<sup>3</sup>. One of the main tasks defined in the circular is to create equal conditions for local and foreign companies.

One of the characteristics of the legal regulation of investments in China is that investments are divided into categories. According to them, the possibilities and conditions of investment in some sectors of the economy are determined. Investments are divided into the following 4 categories:

- incentive - for investors making foreign investments in this category, there are duty-free import of some equipment and other similar benefits, and this category

<sup>3</sup> Information from the website [https://export.by/investment\\_policy\\_in\\_china](https://export.by/investment_policy_in_china)



includes 349 industrial sectors;

- limited - making investments in these areas and carrying out activities in this area require certain permits and licenses, and this category includes 38 sectors;

- prohibited - it is forbidden to invest in projects that pollute the environment, harm the socio-economic development of the country and the interests of society;

- allowed - there are no restrictions on investment for projects that do not belong to any of the above categories.

Foreign investment in China is carried out by establishing a wholly-owned enterprise, establishing a joint venture with a Chinese partner or merging, and buying an existing business belonging to China.

It is important to study the experience of the above-mentioned countries, the path they have taken, the laws they have adopted and the decisions they have made to improve the country's investment environment in order to ensure economic development. One of the important issues is the application of the necessary aspects of the methods and techniques developed for the wider attraction of investments to the conditions of Uzbekistan. Besides that, one of the important issues is the application of the necessary aspects of the methods and techniques developed for the wider attraction of investments to the conditions of Uzbekistan. The application of the collected data, taking into account the country's specific characteristics, economic, social, political capabilities, mentality, and values, leads to a reduction in risk, avoidance of abstraction, and high efficiency in production. Because ready-made experiences pass the test of time and improve over the years. Due to this, the use of the experiences of advanced foreign countries serve as the basis of the country's success.

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