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METHODS AND FORMS OF ATTRACTING FOREIGN INVESTMENTS

Umarova Gulzodakhon Qodirbekovna

Lecturer at the Department of "Specialized, Social-Humanitarian and Exact Sciences"

of Tashkent State University of Economics.

Abstract: have been developed in the field of transformation and restructuring of the economy in the direction of the market, and its most important feature is that the main goals and priorities have been carefully defined at each stage of the reforms. An active investment policy is one of the most important conditions for achieving sustainable economic development.

Key words: Investment, investment policy, foreign investment, investor, investor's right, investor's obligation, state, income, cost, securities, securities market, financial investment, real investment, intellectual investment, state investment, private investment, foreign investment.

After Uzbekistan gained the status of an independent state, it determined its own direction, taking into account the various features of building and developing a national economy, and continues to follow this path in its economic development.

Currently, one of the significant results of the rational investment policy pursued by our state in establishing and improving investment activity is the implementation of the Investment Program for 2021–2026, as emphasized by our President. This program plays a crucial role as a key instrument of structural transformation in the industrial sector and the economy as a whole.

Investments in fixed assets are primarily made in the form of capital investments and include expenses for new construction, expansion, reconstruction, technical re-equipment of operating enterprises, acquisition of equipment, and the purchase of raw materials needed for projects. It is often emphasized in economic theory and practice that the terms “investment” and “capital investment” are not synonymous. Investments represent a broader concept than capital investments. In Western literature, when discussing investments, the focus is usually on stock markets and exchanges, as in developed countries, investments are mainly made in the form of securities.

Providing a single, complete definition of the term "investment" is quite difficult. In economic sciences and in practice, the meaning and specific characteristics of investments vary depending on the area. In economics, investments include expenditures aimed at acquiring new technologies and technical equipment, buildings, and increasing the volume of both tangible and intangible resources, which can also be viewed as part of total expenditures.

Investments represent the portion of gross domestic product (GDP) that is not consumed during a specific period and that helps increase capital stock in the future. Inflation rates significantly influence the volume of investments. High inflation reduces the future value of investor returns and can discourage investment. Investments can take different forms, and analyzing and planning them requires categorizing them based on their unique features.

First, by the object of investment, we can distinguish between real and financial investments. Real investments involve the use of financial resources to acquire tangible and intangible assets by enterprises. Tangible (material) investments involve the purchase of specific components of fixed assets and are part of investment and innovation projects. Therefore, both personal funds and borrowed funds are used for a single purpose. In the case of borrowed funds, the role of investor is taken by the lending banks. Intangible investments are made when intangible assets are created and are directed at enhancing human capital, scientific research, engineering design projects, and the creation of new products and services.

With the advancement of science and technology, intellectual potential has become one of the strongest drivers influencing global production. In the 20th century, investments in science, the development of production, and human knowledge significantly increased. Therefore, expenditures on scientific research, studies, science, education, and professional training are growing as a share of global investments. In countries like the USA, Japan, and other developed nations, the growth rate of private and foreign investments in science and research exceeds the growth rate of investments in fixed assets.

This is because it is now widely recognized that a country's future is determined by its scientific and intellectual potential. Entering the global market, developing marketing, providing accurate and reliable information, using advanced information technology systems, having experienced and skilled personnel, and joining the ranks of the world's most developed countries require high-speed and high-quality development. Therefore, increasing the share of investments in science, technology, education, and personnel retraining is necessary for rapid and sustainable growth.

When attracting investments, the following aspects must be prioritized:

- Ensuring the freedom and initiative of investment activity participants;
- Granting investment status to material and intangible assets invested in specific sectors;
- Creating the necessary legal and practical conditions for conducting investment activities.

There are five key requirements for attracting investments:

1. The presence of strong and well-developed investment managers within the country;
2. The country's products and services must be more competitive in global markets compared to similar offerings elsewhere;
3. The country must provide unique products or services not available elsewhere, occupying a specific niche in the global market;
4. There should be no obvious or potential legal barriers in the investment environment;
5. The country must have a clear, long-term development strategy and plan.

Investment management is a set of methods and principles for implementing decisions related to investment activities on a national scale. Investment management typically includes the following stages: assessing past investment processes, calculating future capital investment volumes, determining the form of investment input, selecting appropriate investment projects for the national economy, analyzing expected investment risks and efficiency, and finally, executing and monitoring the implementation of investment projects.

Investment management is essentially professional management of various financial instruments and assets, technologies, and property to generate profit while meeting the needs and interests of investors.

In conclusion, the concept of attracting and managing investments in a country is based on several key approaches:

- Viewing investment activity as a selection process, involving the attraction and justification of investment resources and the application of investment mechanisms to implement investment activities;
- Evaluating the investment attractiveness of the object to determine investment feasibility and management strategies;
- When selecting investment and management methods across various sectors, aligning the interests of both the investor and the country is crucial;
- In state-funded investment projects, the government and society should benefit from the expected outcomes while also addressing social issues.

As a result of these approaches, the concept of attracting and managing investments can be summarized by stating that each conceptual approach must contribute to economic development and lay the foundation for future progress.

Financing investment projects from the state budget is generally carried out through targeted programs and financial support mechanisms. Budgetary funds are allocated in the following main forms: investments in the charter capital of existing or newly established organizations, budget loans (including investment tax credits), subsidies, and guarantees.

Project financing often involves a wide range of creditors and the formation of consortiums. Agent banks – large financial institutions – represent the interests of these groups. Sources of financing include international financial markets, export credit agencies, financial, investment, leasing, and insurance companies, long-term loans from the World Bank, International Finance Corporation, European Bank for Reconstruction and Development, and leading international investment banks.

The use of new methods to attract investments is increasing day by day. One of these is the use of modern financial instruments. Attracting investments through such instruments has become one of the key processes of the modern era.

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