

Scientific Analysis of the Application of Foreign Experience in Attracting Foreign Investments in Uzbekistan

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Abstract: This article is devoted to the application of international experience in improving the attraction of foreign investments in Uzbekistan. The article analyzes the successful experiences of countries such as Singapore, China, Poland and Turkey, and highlights the possibilities of their application in the conditions of the economy of Uzbekistan. In particular, there are practical recommendations on improving the investment environment, modernizing the tax system, developing free economic zones, improving infrastructure, introducing innovations, and applying international marketing strategies. The article includes strategies aimed at increasing the economic potential of Uzbekistan and strengthening its competitiveness by attracting foreign capital.

Keywords: Foreign investments , investment environment , international experience , free economic zones , tax system , infrastructure development , innovation technologies , public - private partnership , marketing strategies , economy of Uzbekistan.



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Introduction

Modern trends of the world economy emphasize the importance of attracting foreign investments for many countries. Foreign investments are important not only for creating new jobs and importing technologies, but also for increasing the level of competitiveness of the national economy. Due to its geographical location, natural resources and demographic potential, Uzbekistan is a country that can offer investors a wide range of opportunities.

However, the country faces certain challenges in attracting foreign investment, including insufficient legal guarantees, underdeveloped infrastructure, and bureaucratic obstacles in the public administration system. Therefore, in-depth study of international experience and its adaptation to national conditions is of strategic importance for the economic development of Uzbekistan.

The main goal of this article is to study the best practices of the countries of the world in attracting foreign investments and to scientifically justify their application in the conditions of Uzbekistan.

Theoretical foundations of foreign investment attraction

Foreign investments (foreign direct investment, FDI) are capital funds attracted to the national economy from foreign investors, which are aimed at expanding production, introducing technologies, and developing the service sector. Foreign investments are made in two main forms:

1. **Foreign direct investment (FDI)** implies the direct participation of the investor in the management of the enterprise.
2. **Portfolio investments** are investments in securities and other financial instruments that do not involve management control.

Impact on the national economy

Foreign investments affect the national economy in the following ways:

- **Introduction of technologies:** Bringing modern technologies into the country, automating production processes and increasing efficiency.
- **Job creation:** Increase employment through opening of new businesses and expansion of existing businesses.
- **Attracting financial resources:** formation of additional sources of funds for national enterprises.
- **Development of international trade:** increasing export potential and creating an opportunity to enter the global market.

Indicators of efficiency in international experience

In the world experience, there are the following main indicators of successful attraction of foreign investments:

1. **Ease of business environment** - transparency of legislation, simplified procedures, low level of corruption.
2. **Tax incentives** — competitive tax rates and incentives for investors.
3. **Development of infrastructure** - favorable conditions in the field of logistics, transport and communication.
4. **Legal guarantees** are the legal framework that ensures the protection of property rights of investors.

Analysis of best practices in the world

Singapore model. Singapore is one of the most attractive investment centers in the world. Creating a favorable business environment in this country is the main direction of state policy. Important features:

- Tax competitiveness: corporate tax rate is 17%.
- Effective fight against corruption: Singapore has a low level of corruption in international rankings.
- State support for the development of technologies: subsidies and grants are provided for innovative projects.

Chinese model. China's economic success has been driven by free economic zones (SEZs). In these zones, foreign companies were given a favorable tax system, freedom of currency transactions and foreign trade privileges.

- Pudong SEZ has played an important role in China's transformation into a technological center.

- The Chinese model encouraged the development of export-oriented manufacturing.

Polish model. The success of the Polish economy was ensured by the membership of the European Union and the liberalization of the national economy.

- Subsidy and grant programs for foreign companies.
- Large investments for infrastructure development.
- The policy of the government to support innovative projects.

Turkey's experience. Turkey actively uses foreign investments in the development of tourism, infrastructure and industry.

- Tax incentives and customs reliefs for investors in free economic zones.
- Attracting foreign capital to large infrastructure projects based on public-private partnerships.

Possibilities of applying foreign experience in Uzbekistan

Uzbekistan pays special attention to attracting foreign investments in its economic development strategy. But it is necessary to further improve the existing conditions based on comparison with international experience. Below is a detailed analysis of the ways of applying foreign experiences in the conditions of Uzbekistan.

In order to improve the investment environment, Uzbekistan has implemented a number of legislative reforms in recent years. In particular, the Law "On Foreign Investments" and the Law "On Free Economic Zones" created important legal frameworks for foreign investors. But:

- Investors are still concerned about the security of their property rights.
- It is necessary to ensure compliance of legislation with international standards.

The tax system in Uzbekistan has been liberalized in recent years, but tax incentives are valid only in certain regions. This creates territorial restrictions for some investors.

Development of free economic zones and clusters

Free economic zones (EEZ) are operating in Uzbekistan, but they do not yet have their full potential. Main problems:

- Inadequate development of SEZ infrastructure.
- Lack of additional incentives for foreign companies.

Development of infrastructure and logistics

Logistics and transport infrastructure is an important factor in attracting foreign investment. But Uzbekistan still has many problems in this direction:

- The lack of development of the transport system in some regions.
- Interruptions in the supply of electricity and other resources.

Foreign investment is not only capital inflow, but also brings advanced technology. But currently there are problems in the process of introducing technologies in Uzbekistan:

- Lack of local personnel.
- Limited resources to support innovation.

Practical recommendations and strategies

The main aspects that Uzbekistan can learn from the international experience of attracting foreign investments and the strategic steps that follow from them are as follows:

1. Improvement of the investment environment

The most important factor in attracting foreign investment is creating a business-friendly environment. In this regard, the following measures should be taken, inspired by the experience of Singapore:

- **Strict fight against corruption :** Introduction of principles of openness and accountability in public administration to increase investors' confidence.
- **Eliminate bureaucratic obstacles:** Digitize all processes, simplifying permits, licenses and other procedures.
- **Establishment of investment consulting centers:** establishment of service centers for foreign investors based on the "one door" principle.

2. Modernization of the tax system

A competitive tax system is an important tool for attracting investment. To this end:

- **Optimizing tax rates:** Giving incentives to investors introducing new technologies and environmental projects.
- **Simplifying tax types:** Reducing the financial burden on businesses by leaving only the most important and necessary tax types for businesses.
- **Long-term guarantees:** To attract investors, the adoption of laws guaranteeing the stability of the tax policy by the state.

3. Development of free economic zones

China's Pudong experience can be useful to Uzbekistan for the successful operation of free economic zones (FEZs):

- **Improvement of infrastructure of zones:** Modernization of electricity, transport and telecommunication networks.
- **Diversification of sectors :** focusing SEZs not only on industrial production, but also on technologies, IT, logistics and services.
- **Incentive programs :** introduction of grants and subsidy programs for foreign companies operating in the SEZ.

4. Improvement of infrastructure and transport system

Turkey's public-private partnership (PPP) model has been effective in developing transport and infrastructure. On this basis:

- **Organization of large PPP projects:** establishment of modern transport and logistics infrastructure connecting all regions of the country.
- **Building logistics centers:** Increasing transit capacity by establishing strategic centers on regional transport corridors.
- **Energy Infrastructure Upgrade:** Attracting Foreign Investments to Modernize Energy Sectors.

5. Support of innovation and introduction of technologies

Uzbekistan can use the experience of Singapore and South Korea to develop technologies:

- **Development of startups:** Support domestic and foreign startups by establishing technology parks and innovation centers.

- **Investing in scientific research:** Putting scientific developments into practice by developing cooperation between universities and private companies.
- **Attracting foreign experts:** Training local personnel and creating opportunities for them to learn experience from foreign experts.

6. International marketing and PR policy

To increase investment attractiveness, it is necessary to implement a marketing and PR strategy on a global scale:

- **Promotional campaigns:** Demonstration of Uzbekistan's investment opportunities at major international forums and exhibitions.
- **Working with target markets :** developing special programs to attract large companies in Europe, Asia and the Middle East.
- **Creating a brand:** attracting the attention of foreign investors by developing a national brand such as "Invest in Uzbekistan".

Conclusions and perspectives

Studying international experience in attracting foreign investments is an important direction for Uzbekistan's economic policy. The successful experiences of Singapore, China, Poland and Turkey can serve as effective approaches that can be applied in the conditions of Uzbekistan.

In the future, conducting work in the following directions will help to form Uzbekistan as a global investment center:

1. Liberalize the business environment and provide broad guarantees to foreign investors.
2. Implementation of large-scale PPP projects in the infrastructure and transport sectors.
3. Diversification of the economy through the introduction of innovative technologies.
4. Active promotion of investment opportunities in the international arena.

As a result of these measures, Uzbekistan can become a competitive country for foreign investments on a regional and global scale.

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