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## **CURRENT STATE OF THE INVESTMENT ENVIRONMENT IN UZBEKISTAN**

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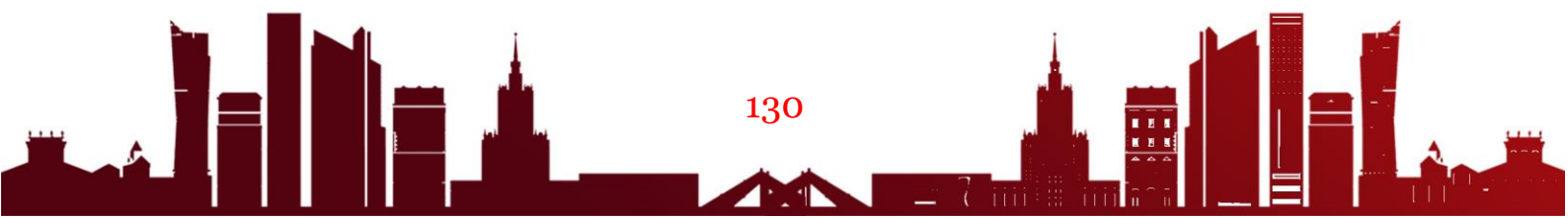
<https://doi.org/10.5281/zenodo.11057128>

It is clearly known that the economic meaning of the word “investment” means the implementation of the intended idea using the current investment resources in order to achieve efficiency in the future. The process of making an investment creates an investment activity. An investment environment is necessary for the implementation of investment activities. Methodological and technological renewal occurs during the investment process, for example, starting, re-starting or continuing the chosen business with a new method and technology. One of the most effective ways to achieve the economic development of the countries, the increase in the level of well-being of the people living there, and at the same time, the emergence of a competitive and stable developing country on the world scale, is to attract the capital of foreign and domestic investors to the country by creating a favorable investment environment.

The investment environment is a set of economic, political, legal and social factors that predetermine the level of volatility of foreign capital investments and the possibilities of their effective use in the country. The investment environment is a complex, multifaceted concept that includes national legislation, economic conditions (crisis, growth, stagnation), customs regime, currency policy, economic growth rates, inflation rates, currency stability of the exchange rate is considered as an indicator such as the level of external debt.

Turning to the approach of foreign scientists, according to the definition of B. Ryzberg, L. Lozovsky, Y. Starodubtseva: “Investment environment is an economic, political and financial environment that affects the flow of domestic and foreign investments attracted to the country's economy are conditions”.

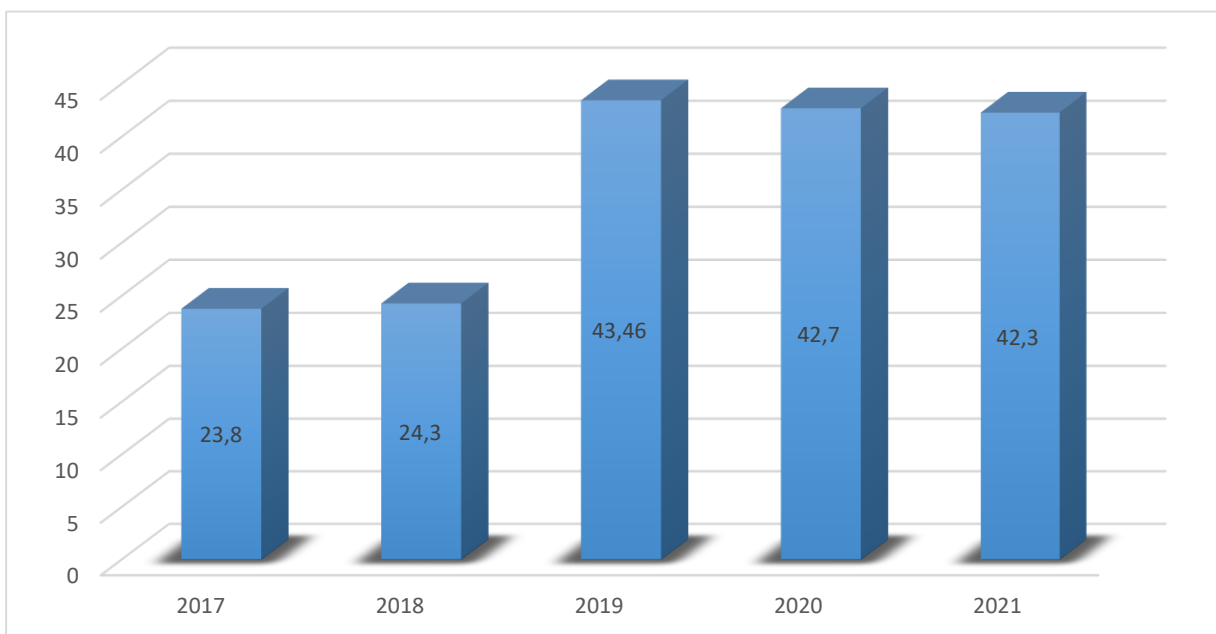
During the last period, a number of reforms are being carried out to attract capital investments by investors and create a favorable investment environment. It is possible to recognize that the Decree “On measures to fundamentally improve the investment environment in the Republic of Uzbekistan”[1], published on August 1, 2018, on the basis of PF-5495 and the Law №598 “On Investments and Investment Activities”[2] published on December 25, 2019 that creation of favorable conditions for foreign and local





investors and the processes of regulation of relations in the field of investments and investment activities are being carried out.

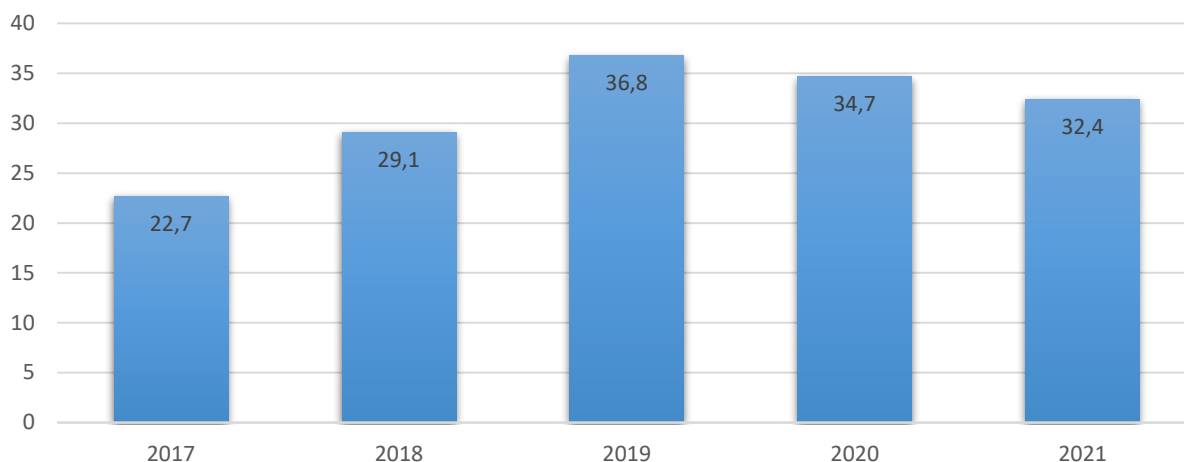
If I cite the statistics of the reform of the investment environment implemented in our country during the past period, it should be noted that its dynamic indicators have reached much higher levels. The “Strategy of Actions” on 5 priority areas of development of the Republic of Uzbekistan in 2017-2021 was approved on February 7, 2017, and according to it, the third priority area was named “Further development and liberalization of the economy”. In this section, tasks were set to actively attract foreign investments to the sectors and regions of our country’s economy by improving the investment environment. For 5 years, gradually increasing the attractiveness of the investment environment compared to previous periods, creating an inviolable and reliable environment for investors with respect to their capital, became the main



important part of the “Further Development and Liberalization of the Economy” direction, and it is an exaggeration to say that we were able to achieve the highest result in our history. According to the “Strategy of actions” summary, we can see the following graph:

**Graph 1. The share of foreign investments and loans in fixed capital investments in 2017-2021 (in percents)**





By comparing the data of 2017 and 2021, we can see that the share has almost doubled compared to 2017. By 2019, this indicator had the highest share, but if we pay attention to the next years 2020-2021, this indicator has slightly decreased. The main reason for this is the global COVID-19 pandemic. This pandemic has significantly changed the economy of countries around the world, and it has also had a negative impact on our economy.

**Graph 2. Share of fixed capital investments in GDP (percentage)**

As of the summary year, 2021, it has grown by 10% compared to 2017. The highest figure was recorded in 2019, had a share of 36.8%.

As a result of our research and studies, we can say that the investment potential and investment environment of the Republic of Uzbekistan is improving year by year, and as a result of the measures implemented to develop the country’s investment environment, it is becoming more and more attractive for investment. Taking into account the role of the current investment environment in the volume of attracted investments and, at the same time, the high degree of influence of the level of transparency and openness of the information presented in it on the investor’s decision, further improvement of the current investment environment in our country, its compliance with world standards, Ensuring the transparency and modernity of information will cause a significant increase in the volume of investments attracted to our country.

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