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Main areas of improvement of the investment environment based on innovative approaches

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ABSTRACT

In this article, the role of the investment environment in the economy of the region, its specific features, existing opportunities, the implementation of an effective investment policy based on innovative approaches, the formation of the investment environment and the main directions for its improvement are highlighted. Also, based on innovative approaches, conclusions and proposals regarding the implementation of the priority areas of improvement of the investment environment in the region are presented.

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1. Introduction

Today, measures are being taken to further improve industrial relations in the regions of our country. In this regard, well-targeted and large-scale reforms are being implemented in the direction of creating a favorable investment environment in the new Uzbekistan. In this regard, according to the 26th goal of the Development Strategy put forward by the President of the Republic of Uzbekistan, the establishment of a new system based on the "bottom-up" principle of effective use of investments and increasing export volumes in order to create favorable investment in the regions of our country were mentioned and it is necessary to implement the strategy of attracting foreign and local investments [1]. Therefore, improving the investment environment in our country is a priority. In order to improve the investment environment, it is necessary to develop this field based on innovative approaches. This requires an in-depth analysis of investment projects and the effective use of financial incentives and tools to further increase investment attractiveness in the conditions of a favorable investment environment in the business sector of Uzbekistan.

2. Materials and methods

This article uses methods of research such as analysis, synthesis, economic method, logical analysis, inductive, deductive and abstract thinking.

A number of scientific studies have been conducted in the world and in our country in connection with the development of the investment environment and the improvement of its activities.

The most important issue is the creation of a favorable investment environment for investors. In some studies, the economic potential of the regions of Uzbekistan, the further improvement of the attraction of foreign direct investment in the economy, the creation of a favorable investment environment for investors, the provision and development of its attractiveness, the further liberalization of the economy, it was emphasized that it is necessary to create and modernize the existing infrastructure in order to organize and improve the free use of goods, as well as to develop the necessary production in the regions [2].

In order to conduct an active investment policy in the country, it is necessary to implement consistent measures aimed at improving the investment environment. It was noted that it is necessary to evaluate the measures aimed at improving the investment environment and formulate recommendations for the development of favorable conditions for investment activity [3].

When creating an investment environment, it is necessary to ensure mutual harmony of investment attractiveness and investment activity. In practice, it is

explained that the complexity of assessing the investment environment as a combination of investment attractiveness and investment activity and its investment activity is the result of investment attractiveness [4].

Creating an investment environment should be considered an important goal of a sustainable investment policy. In other studies, after defining the objective of sustainable investment policy, more information is needed about its practical implementation [5].

Improvement of the investment environment should directly depend on the activity of investment management. Investment management is a specialized field of finance that deals with the management of individual or institutional funds. Other concepts used to describe this area of finance are asset management, portfolio management, money management and wealth management [6].

Creating an investment environment in the regions should depend on the effectiveness of regional investments. In this regard, preference for regional investments directly means the desire and interest of the region for investments. This means the percentage of the income that investors in the region are willing to invest. It is calculated as the ratio of the annual investment per capita of the region to the per capita income of the region for that year [7].

Investment flows, measured as foreign direct investment, are considered the main output of investors, entrepreneurs and venture enterprises in the economy. In this regard, the investments that can be attracted will have their limits, and the interest rate environment will affect the flow of investments. In this case, it is necessary to evaluate the role of macroeconomic indicators in attracting investments. A developing economy can be modeled after an economy with a low interest rate progressive policy that supports foreign investment and business by eliminating uncertainty in investment movements [8].

To stabilize and improve the investment environment, it is necessary to create an effective business environment. There are differences in the degree of marketization of the business environment in China's regions in terms of promoting technological innovation and building an innovative country [9]. In this way, it is appropriate to create technological innovations to stabilize the investment environment.

Thus, in order to improve the investment environment, it is necessary to take into account the possibilities of changing its composition. For this, it is necessary to create incentives and opportunities for attracting investments by state and regional authorities, to reduce the unnecessary costs of business, to reduce systemic risks, and to eliminate existing obstacles to creating a social environment [10-11].



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3. Results and discussion

The main purpose of the existence of a commercial structure in the formation of any investment environment is to make a profit. One way to achieve this goal is to actively invest. However, the investment should be made only after conducting an investment analysis. This allows you to determine the appropriateness of the chosen investment method. In this regard, an in-depth investment analysis should be carried out in order to create an effective investment environment in the regions of the country. Investment analysis is a set of measures necessary for the formation of an effective business plan aimed at the implementation of an investment project and the determination of the appropriateness of investments. This makes it possible to justify the chosen investment method.

The process of analyzing the investment environment begins with the study of the state of the national economy. In order to implement investment projects supported by these institutions, analysis of the economy of countries should be carried out between international investment and financial institutions. It is appropriate to assess the investment environment through this. The assessment of the direct investment environment is based on the analysis of the following factors that describe the country's investment potential and the risk of their implementation:

- natural and climatic resources;
- environmental condition;
- the level of infrastructure development and the condition of its objects;
- political stability, force majeure situations and the possibility of forecasting them;
- socio-economic situation (availability and quality of labor resources, availability and quality of the educational system, rate of economic development in spheres of activity, investment activity of business, budget situation and balance of payments);
- quality of public administration (state of economic regulation and legal system, policy of state and local authorities, protection of property rights, level of freedom, level of crime and corruption);
- openness of the economy and trade rules with foreign partners;
- the level of the tax burden and the quality of the tax system;
- banking sector system, quality of other financial institutions and credit availability;
- barriers to entering the market (informational, technical and administrative barriers) and the degree of monopolization of the economy.

Today, on the basis of innovative approaches, special attention is paid to its elements in the improvement of the investment environment. This makes it possible to create an effective investment

environment by increasing investment attractiveness and carrying out investment activities, allowing to determine the interrelationship between them, and thus it will be possible to determine the level of implementation of investment attractiveness (Fig. 1).

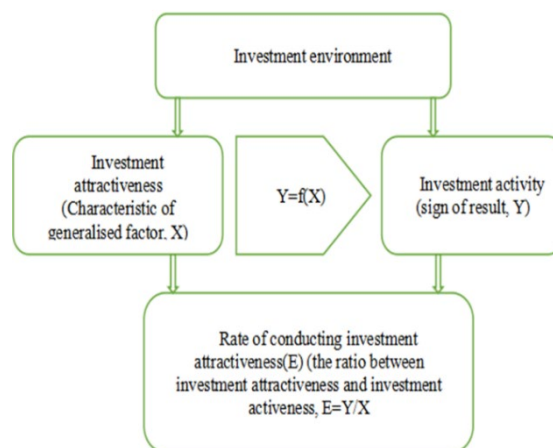


Fig. 1. The relationship between the concepts of investment attractiveness, investment activity and investment environment [Authors' development.]

According to Figure 1, the investment environment, investment attractiveness should be considered as a generalized factor characteristic, and investment activity as a result indicator. And the level of realization of investment attractiveness is determined by the ratio of investment activity to investment attractiveness.

In addition, the following factors should be taken into account for the formation and improvement of the investment environment:

- formation of a favorable investment environment under the influence of a comprehensive set of objective factors;
- improvement of the investment environment in the national economy in the form of the investment environment of industries and regions;
- extensive development of the investment environment in the form of an institutional system;
- differentiation of the investment environment at levels and stages of the economy;
- prevention of various risks as a result of suitable conditions.

Innovative approaches are based on innovation. Considering this, investment programs are an important direction for improving the investment environment in Khorezm region. The number of projects launched under these programs is increasing, and their use cases are improving day by day (Table 1) [12].

Based on this table 1, the total volume of investment projects in the region in 2022, 726 projects worth 1831912.4 million soums were implemented and 15877 new jobs were created. In 2023, 1,091 projects worth 5,238,080.3 million soums were implemented and



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17,702 new jobs were created. In 2023, the most investment projects were implemented in Khanka district (119), Hazorasp district (116) and Khiva city (115). The highest value of the investment project was allocated to Shavat district (733,795.8 million soums), Koshkopir district (623,759.1 million soums) and Khiva

city (604,828.9 million soums). came. The largest number of jobs were created in Shavat district (2642), Khanka district (1841) and Koshkopir district (1538). This investment analysis allows you to create a basis for all stages of the investment project.

Table 1. Information about the projects launched in the framework of the investment program in Khorezm region in 2022-2023.

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№	Area	2022 y.			2023 y.		
		Number of projects	Value (in million UZS)	Vacancies	Number of projects	Value (in million UZS)	Vacancies
Total		726	1831912,4	15877	1091	5238080,3	17702
1	Urgench city	37	142812.7	736	58	37335.6	1439
2	Khiva city	57	120976.6	784	115	604828.9	1263
3	Bogot	86	204671.8	1544	101	480001.3	1279
4	Gurlan	74	209837.2	1483	111	344530.3	1497
5	Koshkopir	69	101235.7	880	64	623759.1	1538
6	Urgench region	40	324984.8	1150	71	405665.8	1135
7	Hazorasp	64	94481.8	594	116	312022.8	1182
8	Xonqa	79	154394.1	2253	119	363894.0	1841
9	Khiva region	67	82930.5	4047	71	232023.6	1414
10	Shavat	65	139311.4	1002	94	733795.8	2642
11	Yangiariq	37	119770.9	656	58	104083.0	650
12	Yangibozor	38	120366.3	600	67	301342.6	528
13	Tuprakkala	13	16138.8	148	46	358777.6	1294

It is known that the main goal of the analysis aimed at the implementation of the investment environment is to determine the feasibility and effectiveness of the project. For this, the result of its implementation and the benefits of the project are calculated. For this, the amount of profit from investments should be sufficient.

Effective legislation, economic and political stability, stable financial and credit system ensure the level of development and effective functioning of economic systems. In this case, an important factor of the economic situation in our country is the investment environment. This concept is specific to the economic system (economy of the enterprise, region and country), and it describes a set of economic, legal, political, social, organizational and socio-cultural conditions that determine the feasibility and attractiveness of investment. Therefore, effective investment activities will contribute to economic growth.

Social stability has a significant impact on the investment environment and acts as a prerequisite for various economic changes. However, the inflow and outflow of investment is hindered by the existing problems in communication, telecommunication system, transport and hotel business. By analyzing the

network structure of foreign investments in the country, aspects such as high political and economic risks, as well as distance from competition in the domestic market, affect the flow of foreign investments. In this regard, the investment environment at the level of an economic entity is the main macroeconomic factor that predetermines its investment activity.

The investment climate as a complex and relevant concept is implemented on several levels. The investment environment is formed as a result of a set of political, economic, social and other factors that create the basic conditions for investment activity in a country or region. This shows its complexity. The ability to differentiate the investment environment by region or sector shows its multi-level. As the main category of the country's investment environment, the investment environment of economic sectors, regions and regions will have a number of characteristics. This means that they are highly dependent on investment conditions and must be provided at the government level. Based on the interdependence of the concepts of the system of institutions in the economy and the investment environment, the investment environment will have its own structural structure.

4. Conclusion

According to the results of the experiment, the following Improving the investment environment means creating the most favorable conditions for business activity. For this, it is necessary to assess the investment environment, which allows determining the rating of doing business based on specific criteria. Also, the investment environment is formed by the policies and actions of state bodies. It directly affects the factors determining the quality of infrastructure creation, taxation and regulation, labor and financial markets, security of property rights and public administration.

Based on the above, it is necessary to implement measures in the following directions to improve the investment environment:

- to determine the size and structures of the necessary investments, thereby implementing measures to determine the technology, industry, re-production, territorial location and forms of ownership;
- increase the volume of investments directed to the development of various fields, including education, medicine, science and other fields;
- to determine the most effective and targeted ways of economic development of the country.

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