



## **Global Conference on Medical and Health Sciences**

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### **ENHANCING THE ROLE OF THE INVESTMENT CLIMATE IN ATTRACTING FOREIGN DIRECT INVESTMENT**

Umaraliyev Sanjar Sultanaliyevich

PhD., Independent researcher of Tashkent State University of Economics

#### **Abstract**

In the modern global economy, foreign direct investment (FDI) is recognized as one of the most important factors accelerating economic growth, ensuring technological renewal, and increasing production efficiency. TTSI provides not only the flow of financial resources, but also serves the integration of advanced technologies, modern management practices, international marketing networks and innovative approaches into the national economy. Therefore, attracting TSA is one of the strategic priorities for any country.

However, TTXI flows are directly determined by the quality of the investment environment. Investment environment is a complex of economic, legal, institutional, political and infrastructural conditions for investors that determine safety, profitability and sustainability of capital investments. In countries where there is a favorable investment climate, investor activity is highly protected, which will lead to an increase in the volume of investments.

Today, the competition for attracting TTI globally is intensifying. Developing countries, including Uzbekistan, are seeking to increase their FDI flows in order to ensure economic growth and modernize industry. In this process, it is important to improve the investment climate. In particular, legal guarantees, tax policy, infrastructure development and efficiency of public administration are the decisive factors for investors' decision-making.

As the main components of the investment environment, it is possible to distinguish: macroeconomic stability, robustness of the legal system, political



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stability, adherence of tax burden, infrastructure development, efficiency of the financial system, and quality of human capital. The combination of these factors creates a favorable environment for investors and plays an important role in attracting TTXI inflows.

In Uzbekistan in recent years a large-scale reform has been carried out to improve the investment climate. In particular, investment attractiveness is being improved through the expansion of free economic zones, the introduction of tax and customs benefits, the strengthening of mechanisms for protecting the rights of investors and the digitalization of public services. However, there are also some systemic problems, which manifest themselves as limiting investment flows.

From a scientific point of view, the study of the impact of the investment environment on TTI is one of the important areas of research. Because by improving the investment climate, it is possible not only to increase the volume of investments, but also to ensure their efficiency. This will increase the sustainability of economic growth and strengthen the competitiveness of the national economy.

The main purpose of this study is to conduct an in-depth analysis of the role of the investment climate in attracting TSI, identify existing problems and develop evidence-based proposals for solving them. However, improving the investment environment assessment methodology and determining its impact on TTXI flows is also an important task.

Practical analysis shows that the quality of the investment environment has a direct influence on the volume and composition of TTSI flows. In the international experience, countries with highly developed investment climates – for example, Singapore, Ireland and the UAE – take a leading position in attracting FTAs. In these countries, favorable conditions have been created for investors, which increases their investment attractiveness.



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In the case of Uzbekistan, in recent years, there has been an increase in the size of the TSI. This shows the effectiveness of the reforms aimed at improving the investment climate. In particular, the reduction of tax rates, simplification of licensing procedures, digitalization of public services have created favorable conditions for investors.

In the process of practical analysis, it was found that the following key factors play an important role in attracting a TTI: Legal guarantees and investor protection Investors invest only if they are confident about the safety of their capital. In this regard, the protection of property rights and the independence of the judicial system are important factors. Tax and Customs Policy Low tax rates and incentives are an important incentive for investors. Tax incentives provided in free economic zones serve to increase TPP flows. Infrastructure development Improved transport, energy, and logistics infrastructure will reduce production costs and increase investment efficiency.

Development of the financial system. Stability of the banking system and access to financial resources support investors' activities. Human Resources

Availability of skilled workforce is an important factor for investors. Based on practical data, it can be argued that by improving the investment climate, it is possible to significantly increase the size of TTXI. For example, as a result of measures aimed at improving the investment climate, TTSI flows in some countries increased by 20–30%.

In the conditions of Uzbekistan, it is possible to expand the opportunities for attracting foreign investors by applying the following practical measures: full introduction of the "one-stop-shop" system for investors; streamlining investment processes via digital platforms; development of infrastructure projects; improvement of regional investment programs.



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It is also important to develop a comprehensive index to assess the investment climate and compile a regional rating based on it. This serves to provide clear and transparent information to investors.

Based on the above analysis, it can be concluded that the investment environment is one of the crucial factors in attracting TTXI. In countries where there is a favorable investment climate, investment volume will be higher, which will ensure economic growth.

By improving the investment climate, the following results can be achieved: Increase in the size of TPP; creation of new jobs; increase production efficiency; expansion of export potential; Ensuring innovative development.

In order to improve the investment climate in the future, it is necessary to focus on the following areas: strengthening the legal system; tax policy optimization; infrastructure development; improvement of public administration; development of the digital economy.

It is also necessary to develop and gradually implement a comprehensive strategy to improve the investment climate. This will serve to increase the country's competitiveness in the global investment space.

In general, increasing the role of the investment environment in attracting TTI is an important condition for economic development. The reforms being carried out in this direction will ensure stable growth of the country's economy.