

# Characteristics Of Attracting Investments In The Services In The Territories

Khankeldieva G.Sh<sup>1</sup>, Shanazarova G.B<sup>2</sup>

<sup>1</sup>Tashkent State Pedagogical University

<sup>2</sup>Tashkent State Pedagogical University

**Abstract:** *In this article, the ongoing process of economic reforms in the country, along with changes in the service sector and the creation of new jobs, the ongoing tradition of sustainable economic growth has provided the creation and development of objective conditions for increasing employment. Free economic zones, as an important link in the global economy, are showing their positive effect in attracting foreign investment in many countries. Free economic zones exist in different forms in different countries and are united by one feature, namely, the preferential conditions introduced in these regions. Such a favorable environment is one of the most effective ways to attract foreign investment.*

**Key words:** *free economic zones, service sectors, foreign investment*

## 1. INTRODUCTION

Currently, in the context of globalization of the world economy, the development of the modern service sector is characterized by a high level of specialization. At present, as a result of reforms aimed at modernization, technical and technological re-equipment of modern sectors of the economy in the country, structural changes have taken place in the service sector. As a result, the share of the service sector in GDP is steadily growing. At the same time, one of the priorities in the Republic of Uzbekistan is "... modernization of the service sector through the transition to a qualitatively new level of quality services, primarily aimed at the accelerated development of services to the population" [2]. The effective solution of these tasks is the study of scientific, methodological and practical aspects of improving the social and economic efficiency of labor on the basis of the effective use of the services sector. The indicators reflecting macroeconomic stability and economic growth in the country are a practical manifestation of the success of the reform strategy, the deepening of economic reforms and the achievements in the country's development priorities. Today, in determining the current and future measures of socio-economic development of the country requires a comprehensive consideration of the level of development of industries and sectors and their demand for personnel, the formation of economic development programs in terms of the impact of these processes and their consistent implementation. Therefore, the effective use of services, which is an important factor in the development of the economy, is an important factor in future strategic development. One of the tools to determine the effective use of personal services in the context of modernization of the economy of the Republic is to identify sources and reserves to increase labor efficiency. Therefore, in order to adequately study the socio-economic nature of the labor productivity indicator, it is necessary to comprehensively analyze the interrelated labor indicators. In our opinion, achieving high labor results based on the efficient use of all material and labor resources is the main criterion for increasing labor efficiency.

*Analysis of the literature on the subject*

There are a number of works created by scientists of our country, dedicated to improving the efficiency of services in the field of services. In this field M.Q.Pardaev, I.S.Tuxliev, A.N.Khalikulov, H.A.Rahimov, F.A.Safarov, O.M.Pardaev, R.Haitboev, B.Sh.Safarov, G R.Tursunova, M.T.Alieva and others. That is why our research is focused on increasing the share of services in our economy.

**2. RESEARCH METHODOLOGY**

The methodological bases of scientific and practical research are the laws of the Republic of Uzbekistan, decrees and resolutions of the President of the Republic of Uzbekistan, resolutions of the Cabinet of Ministers of the Republic of Uzbekistan, references of the State Statistics Committee and other relevant normative legal acts. The study used systematic analysis, comparative analysis, macroeconomic analysis, grouping, experiment, decomposition, adaptive methods, innovative and integrated approaches, analysis and approbation of indicators representing the effectiveness of services in the regions based on international experience.

**3. ANALYSIS AND RESULTS**

In world practice, it is important to develop targeted strategies to increase investment attractiveness in the development of services in the regions, to conduct an active investment policy to ensure sustainable economic development and to conduct research aimed at ensuring the investment attractiveness of the investment climate. In world practice, it is important to develop targeted strategies to increase the investment attractiveness of the regions, to pursue an active investment policy to ensure sustainable economic development, to conduct research to ensure the implementation of investment attractiveness. Acceleration of investment activities as a prerequisite for the formation of an innovative economy, sustainable and high growth rates in Uzbekistan, providing benefits and guarantees to domestic and foreign investors, government regulation to ensure the effectiveness of these processes, including the development of annual national and regional investment programs Consistent implementation measures have been implemented. In order to ensure the free flow of foreign investment into the economy of Uzbekistan and the formation of infrastructure on the basis of international requirements, institutional changes, ie legal and regulatory documents, standards and requirements, have been developed, management structures have been improved. In particular, on March 31, 2017, the State Committee for Investment of the Republic of Uzbekistan was established. The Action Strategy for the Development of the Republic of Uzbekistan for 2017-2021 identifies the improvement of the investment climate, the active attraction of foreign, first of all, foreign direct investment in the sectors and regions of the country's economy as one of the important areas. Effective implementation of these tasks requires research aimed at improving the investment climate in Uzbekistan.

Volume of services provided by regions (in billions of soums)

	2014 й.	2015 й.	2016 й.	2017 й.	2018 й.
Republic of Uzbekistan	<b>68 032,1</b>	<b>78 530,4</b>	<b>97 050,0</b>	<b>118 811,0</b>	<b>150 889,8</b>
The Republic of Karakalpakstan	2 148,1	2 550,3	3 100,5	3 611,3	4 600,2
provinces:					

Andijon	4 009,1	4 684,5	5 765,9	6 627,2	8 011,5
Buxoro	3 045,6	3 751,2	4 756,1	5 421,1	6 631,6
Jizzax	1 324,5	1 727,0	2 155,3	2 530,8	3 283,2
Kashkadarya	3 391,1	4 058,9	5 137,6	5 859,7	7 064,1
Navoi	1 763,1	2 067,5	2 593,8	3 068,4	3 925,6
Namangan	2 961,2	3 320,6	4 408,1	4 999,2	6 067,7
Samarkand	5 065,9	5 832,9	7 200,5	8 343,2	10 043,5
Surxondaryo	2 471,4	3 067,8	3 845,3	4 485,5	6 079,6
Sirdaryo	915,8	1 103,1	1 355,6	1 603,8	2 031,4
Tashkent	5 529,5	6 445,7	8 112,9	9 347,4	11 292,9
Fergana	4 472,8	5 256,0	6 670,7	7 602,2	9 237,9
Khorezm	2 190,7	2 548,6	3 119,0	3 645,5	4 562,8
Tashkent	19 779,7	23 108,6	29 472,7	38 659,9	50 176,2

Data of the State Statistics Committee of the Republic of Uzbekistan

In recent years, we can see the growth of the service sector in the regions. Especially in Fergana, Tashkent, Samarkand, Andijan, Tashkent. One of the important factors and directions in deepening the restructuring and diversification of the economy in Uzbekistan, improving the income and quality of life is to increase the investment attractiveness of the regions. The essence of free economic zones for the country's economy is specially designated areas with clearly defined administrative boundaries and a separate legal order, created to attract domestic and foreign capital, promising technologies and management practices for the rapid socio-economic development of the region. Free economic zones are an important link in the world economy, attracting foreign investment in many countries showing its positive effect. EIHs exist in different forms in different countries, and they are mainly united by one feature, namely, the preferential conditions introduced in these regions. Such a favorable environment is one of the most effective ways to attract foreign investment. EIHs are a major factor in today's integration and globalization processes. EIHs lead to the international exchange of capital by attracting foreign investors, and integration takes the process to a higher level through the influx of multinational companies. In the context of integration of the Uzbek economy into the world economy, the implementation of export-oriented economic development policy in the country and the use of free economic zones in the production and export of export-oriented products, as well as the introduction of import-substituting high-tech production. Effective use of foreign trade policy experience of developed countries, especially the fastest growing countries in the world economy, including China, Germany, France, Japan, South Korea, Singapore, has a positive impact on the development of our national economy. gives Accordingly, in the formation of the national economy, the issue of increasing the country's foreign trade and export potential through the liberalization of foreign economic activity, taking into account the specifics of the transition to a market economy, in particular the establishment of free economic zones in the country. and the need to further improve the methods of their regulation. One of the most important issues today is the effective use of the experience of foreign countries and their methods in the organization and effective conduct of free economic zones. In particular, as stated in the third direction of the Decree of the President of the Republic of Uzbekistan Sh.M.Mirziyoev "Strategy for further development of the Republic of Uzbekistan", ie "Further development and liberalization of the economy" to ensure the stability of the national economy, develop competitive products, export products and materials. Implementation of measures such as the introduction of modern technologies for the production of goods, the development of transport and logistics infrastructure, entrepreneurship and the introduction of modern principles and mechanisms to increase investment attractiveness for foreign investors will

increase the efficiency of EIHs and foreign investment. The volume of foreign investment in Uzbekistan has been growing steadily over the past five years, mainly due to the favorable conditions and investment climate created for foreign investors. Currently, due to the fact that our country pursues an export-oriented policy, that is, in order to produce more export-oriented products, efforts are being made to attract foreign investors by creating favorable investment conditions in the EU. Of course, this measure is bearing fruit. In addition, in order to attract foreign investment, the existing EITIs in the country provide favorable conditions for investors, such as benefits, preferences and many opportunities. As a result, it is entering our national economy the volume of total foreign capital corresponding to the EU is constantly growing has an outgoing character. The volume of foreign investment in EIH increased by 29.1% in 2014, 42.5% in 2015 and 60-70% in 2017-2018. Also, the following results are expected from attracting investments to our country through the implementation of these measures: "In 2017-2021, it is planned to implement sectoral programs involving 649 investment projects worth \$ 40 billion. As a result, over the next 5 years, industrial production will increase 1.5 times, its share in GDP will increase from 33.6% to 36%, and the share of the processing industry will increase from 80% to 85%. For example, the Board of Directors of SIZ "Angren" approved 23 projects worth about \$ 458 million. To date, 13 projects worth \$ 51 million (more than half of which is foreign direct investment) have been implemented in the Jizzakh SEZ. It is planned to increase their number to 11 this year and attract \$ 156 million in investment. The Decree of the President of the Republic of Uzbekistan Shavkat Mirziyoyev "On additional measures to intensify and expand the activities of free economic zones" signed on October 26, 2017 serves as another important factor in the consistent development of free economic zones and expanding foreign investment. The establishment of free economic zones will play an important role in the further development of the national economy and increase its economic performance, as well as in the diversification of the structure of the national economy. Through high-performance foreign high-performance equipment and machinery, technological lines and modules, innovative technologies, competitive products are produced in world markets through EIHs. Today, many resolutions and decrees are being signed to further develop the industry. The establishment of free economic zones in three regions of the country in recent years, Urgut, Gijduvan and Hazarasp, Kokand, is a proof of the great attention paid to this area. 71 projects worth \$ 171.5 million are being implemented in the Kokand free economic zone. These 71 projects were submitted by 63 investors. Certificates of participation have been issued to 59 investors, and negotiations are underway on the remaining 4 projects. 709 hectares of land have been allocated for the Kokand Free Economic Zone, and many promising projects are planned to be implemented in the region. As a result of new investment projects, products worth 3.1 trillion soums will be produced and products worth 139.1 million dollars will be exported. Most importantly, about 6,000 jobs will be created here. In the free economic zone 6 chemicals and oil, 14 building materials, 4 deep processing of agricultural products and food production, 12 light industry, 7 leather shoes, 3 electrical engineering, 4 pharmaceuticals, 3 At present, 4 projects worth \$ 7.2 million - high-pressure methane gas cylinders in LLC "Transparent methane industry", flour in LLC "Admiral Group". and flour products, footwear and artificial fur products have been launched at Kamtar Begoim LLC. 21 projects worth \$ 32.2 million will be implemented by the end of this year, and 40 projects worth \$ 125.1 million will be implemented in 2019-2020. planned to increase. In conclusion, from the above research and study, the largest share of foreign investment inflows falls on the share of EIHs, as in these regions are provided by the state various benefits, conveniences that are not available in other regions. Therefore, the effective operation of EIHs and the volume of foreign investment are inextricably linked. Foreign due to existing conditions and

factors. It is expedient to carry out the following work to further increase the volume of investments.

- "It is necessary to further increase the investment attractiveness of EIH;
- It is necessary to further improve the activities of banks;
- It is necessary to increase the volume of medium and long-term investment programs;

If the above proposals are implemented in practice, in our country the volume of investments will increase, which will serve to increase the competitiveness of the national economy.

#### **4. CONCLUSIONS AND SUGGESTIONS.**

The following conclusions and recommendations were made as a result of scientific and practical research:

1. Achieving economic growth in the service sector, mainly due to the improvement of service quality, will increase over time. In turn, the growth and calculation of the importance of performance indicators in the service sector increases its relevance.
2. At the current stage of development, the globalization process is expanding, its further intensification, as a result of globalization, the process of integration between countries has become an objective necessity, which leads to the expansion of interstate relations of experts in the world. strengthening of various economic, social and cultural ties, reduction of transport services, creation of opportunities for free international labor migration, various international cultural, educational and other events on a global scale, removal of various administrative barriers as a result of visa facilitation in many countries. the desire and ability to travel to different countries, the dispersal of the world's population in different countries and the settlement in those places It was argued that factors such as the continuation of interstate relations in terms of their kinship are important factors that have a positive impact on the development of international tourism.

3. One of the important tasks of the analysis is to show how to make quality service decisions based on its results. Based on this, appropriate measures or "Road Maps" can be developed.

In conclusion, we can say that the establishment of free economic zones has been beneficial for both the economy and the population of the republic. First, the volume of exports and imports has increased, export-oriented goods have increased, and their place in the world community has been strengthened. Second, new technologies have been introduced into the manufacturing sector. This ensured production efficiency and rational use of resources. Third, several thousand jobs have been created. That is, it helped to prevent the unemployment problem, albeit to a lesser extent. Fourth, the domestic market is saturated with goods and the share of the service sector in the economy has increased.

#### **REFERENCES**

- [1] "Strategy of actions on five priority directions of development of the Republic of Uzbekistan for 2017-2021" of the President of the Republic of Uzbekistan
- [2] Khankeldieva G.Sh. Prospects of the development of investment activity in the field of tourist services: problems and ways of solution // Theoretical & Applied Science, Philadelphia, USA. 10, (78),6 2019. 160-165 pp.
- [3] Khankeldieva G.Sh. Theoretical and Economic Prerequisites for the Development of Regional Industrial Clusters in the Economy of the Republic of Uzbekistan // EPRA International Journal of Research and Development (IJRD). 2020. pp. 234-240. <https://doi.org/10.36713/epra.4855>.

- [4] Features of Introducing Blockchain Technology in Digital Economy Developing Conditions in Uzbekistan E Muminova, G Honkeldiyeva, K Kurpayanidi, S Akhunova, E3S Web of Conferences 159, 04023
- [5] Shanazarova G.B. Innovation a Potential's Management in Furniture Industry// Asian Journal of Technology & Management Research (AJTMR) ISSN: 2249 –0892 Special Issue–2, Sep -2019
- [6] Shanazarova G.B. Features of innovative management strategy of the automotive industry of Uzbekistan // Indo –Asian journal of Multidisciplinary research (IAJMR), Issue: 1 Voiume: 5.Globaln Impact Factor = 0.6, 2019
- [7] Ханкелдиева Г. Ш. Особенности корпоративного управления в акционерных обществах с государственным участием // Бюллетень науки и практики. Электрон. журн. 2017. №11 (24). С. 357-363. Режим доступа: <http://www.bulletennauki.com/honkeldiyeva> (дата обращения 15.11.2017).
- [8] Ханкелдиева Г. Ш. Перспективы развития электроэнергетической отрасли Республики Узбекистан в условиях модернизации экономических отношений // Бюллетень науки и практики. Электрон. журн. 2017. №12 (25). С. 293-299. Режим доступа: <http://www.bulletennauki.com/honkeldiyeva-g> (дата обращения 15.12.2017).