

ATTRACTIVENESS OF THE COUNTRY'S INVESTMENT ENVIRONMENT: THEORETICAL FOUNDATIONS, FORMATION FACTORS AND DEVELOPMENT DIRECTIONS

Yuldosheva Maftuna Bakhtiyarovna
PhD, research scientist

Abstract: The article describes the theoretical foundations of the investment environment, its content and the main factors that determine the level of economic attractiveness. The political, economic, legal and social components of the investment environment and their role in attracting foreign investments are analyzed. Scientific considerations about the country's investment image and its shaping factors are presented. Also, practical proposals for ensuring a favorable investment environment and its development are given. In conclusion, it is based on the fact that improving the investment environment is an important factor in ensuring the country's economic growth and international competitiveness.

Key words: investment climate, investment attractiveness, investment image, foreign investment, economic development, risk, investment policy, infrastructure.

The investment environment is a set of objective conditions for investment, including economic, political and social components, including natural resources, labor, legislation, etc. Some of these factors are to some extent related to government activity, while others are not, for example, there are views that indicate factors such as geographical location, population demand, and the situation in foreign markets as elements that determine the investment environment.

According to Uzbek economists A. Vakhobov, Sh. Khajibakiev, and N. Muminov: "The investment environment is a set of economic, political, legal, and social factors that determine the level of risk of foreign capital investments and the possibilities of their effective use in the country. The investment environment is a complex, multifaceted concept and has indicators such as national legislation, economic conditions (crisis, growth, stagnation), customs regime, currency policy, economic growth rates, inflation rates, exchange rate stability, and the level of external debt."

The investment environment is understood as a set of economic, social, political, organizational-legal, environmental, cultural and other conditions aimed at ensuring the effectiveness and security of investments in the economy of a country or a certain region of it. It means the feasibility of investing in a particular region and the existing positive and negative aspects of the conditions that determine it. Summarizing the above considerations and definitions, we believe that the concept of "investment environment" can be given the following author's definition: "The investment environment is the sum of all factors (including economic, political, social, legal, organizational, demographic, geographic, cultural, environmental, natural, territorial, scientific and technical, and other factors) that determine the flow of investment into a country."

Foreign investors are not indifferent to the investment policy and investment environment in the country where they have invested or intend to invest. Foreign investors mainly focus their attention on countries with stable economies and, at the same time, well-conducted investment policies. Investment policy determines the most priority areas of investment flows associated with increasing economic efficiency, ensuring growth in output and national income, and plays an important role in ensuring the effective implementation of ongoing reforms.

Important factors affecting the country's investment climate are:

- Political stability in the country;
- Open economy;
- State and development of the institutional and infrastructural environment of the investment process;
- State of the financial and credit system;

We can see from the experience of not only developed but also developing countries that improving the investment environment is one of the necessary conditions for accelerating the flow of foreign capital. This task requires the implementation of measures to establish the legal basis of foreign investors' activities and special incentives aimed at increasing the country's investment attractiveness for foreign investors and attracting the attention of foreign investors to promising projects in the country. This has a positive effect on the improvement of the country's investment attractiveness.

Table 1

Factors that ensure the attractiveness of the country's investment environment

Factors	Contents
Economic situation	The state of the country's balance of payments, the stability of the currency-monetary system, the development of foreign economic relations, the size of the domestic market, the rate of inflation, GDP, industrial and agricultural production growth rates.
Legal framework	The existence of decrees, resolutions, regulations, and instructions that are consistent with the new conditions and govern the socio-economic development of the country and its individual sectors.
Natural raw material resources	Reserves of mineral, raw materials, fuel and water resources, production volumes of agricultural raw materials.
Labor resources and employment	The number of economically active population, the share of the employed population, the level of unemployment, the level of income of employees, the level of qualification of personnel.
Technical basis of production	The main production funds, the level of utilization of production capacities, the structure of the useful life of the equipment, the level of depreciation of the main funds.
Scientific and technical potential	Investments aimed at economic development, including foreign investments. Investment risk level. Technical equipment of production, use of scientific and technical achievements and development of the R&D sector, production of high-tech and high-tech types of products.
Financial and credit system	Tax and credit policy, level of utility and profitability of enterprises of the real sector of the economy. Pricing policy and pricing policy.
Infrastructure	The state of development of the banking system, the transport, communication services and hotel industry, commodity and stock exchanges, marketing, consulting, auditing services, and the reliability of the insurance sector.

Environmental situation	Level of environmental pollution, radiation background, harmful waste.
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According to experts in world practice, a country's investment climate is primarily related to the economic and financial condition of the state. Countries with a stable economic situation tend to attract foreign investors.

In addition, B. Mamatov and S. According to Yakubova's scientific article entitled "Convenient investment environment - a guarantee of economic development", the factors affecting the investment environment in our country are mainly divided into 4 groups, they are legal, political, economic and social factors.

Table 2

Extended factors determining the state of the investment climate

A group of influencing factors	Appearances
Political factors	State policy on investments, especially foreign investments The level of state intervention in the economy The level of the country's accession to international agreements Compliance of the country with international agreements Stability of the political situation (political movements, conflicts, peace of neighboring countries) Purposeful action of political power Effective operation of the state apparatus Multipartyism and the position of political groups Harmonization of tax, currency, price and monetary policy with investment policy The environmental situation in the country and the scope of the government's policy on environmental sanitation
Economic factors	Economic situation of the country Inflation rate Tax benefits Customs procedure The state of the country's natural resources and raw materials Labor force status and value Manpower usage procedure Supply and demand for specific goods Freedom of competition and pricing Currency conversion and stability of the national exchange rate Bank interest rates Foreign economic relations of the country Geographical and territorial location of the country (natural disasters, sea and land routes, climatic conditions)
Social factors	Attitude of local population towards private property and foreign investments Socio-economic situation of the country

	<p>Ideological views of the population and their diversity</p> <p>Current attitude towards different nationalities in the country</p> <p>Literacy level of the population</p> <p>Development of qualifications, skills and experience of working professionals</p> <p>The public's attitude and level of acceptance of innovations and various inventions</p>
Legal factors	<p>Level of stability of the legal basis of investment activity</p> <p>The level of strength of the legal framework that directly ensures investment activity</p> <p>Regulatory bases of investment activities (decrees, decisions, laws, regulations, guidelines, etc.)</p>

At the same time, along with the investment environment, investment risk is also important for investors. Risk in investment activities is the possibility of partial or complete loss of investments, receiving less or more than expected income, and not achieving the goals set by the project. The more income is expected from the project, the higher the level of risk.

The presence of risk in investment activities leads to the fact that investors cannot fully use their potential. A distinctive feature of investment risk is its possibility of change in a short period of time. This indicator encourages investors to be cautious. From this point of view, foreign investors pay more attention to the level of investment risk than to the investment potential.

If a country wants to attract foreign investors, it is necessary to introduce various benefits and incentives in this country. In the conditions of modernizing the economy today, countries, regardless of their level of development, widely use various economic benefits and incentives to attract investments, namely fiscal benefits, financial incentives, etc. The use of such forms of competition is practiced by a number of foreign countries and is a necessary condition for competition in the investment market.

While the opportunities to attract international capital are objectively related to the investment environment, they are subjectively related to the investment image.

Investment image is the investment position of a country. The volume of investments directed to the country, as a rule, depends on this position. Investment image is formed under the influence of targeted actions that stimulate (or restrict) the flow of foreign capital, carried out within the country and (or) in the international arena.

Investment image is the current state of the investment environment. Through the investment image, a country is accepted by the international investment community and the investment image embodies information among investors about the country's economic, political and a number of other factors. The investment image is shaped by the following 3 main factors:

1. The current state of the investment environment;
2. Investors' opinions about the country;
3. Information about the country, especially its economic situation.

In order for the country to have a positive investment image, it should be able to inform the participants of the international investment market about its attractive investment environment, investment opportunities in the real sector, noteworthy projects, many potential investors and many other investment indicators.

In conclusion, for a country to have a successful investment flow, it is necessary to have a favorable investment environment, as well as a positive investment image. From this point of view, an active

investment policy is being pursued to direct the flow of foreign investments into the economy of our country.

If the possibility and effectiveness of investing in the country is determined by the investment environment, the advantage of investment is determined by the investment attractiveness, then the investment image is a joint view of the investment environment and investment attractiveness. It should also be noted that today's economic development is in some sense the result of yesterday's investment environment, while the attractiveness of today's investment environment is, in turn, the key to tomorrow's economic prosperity.

Providing an attractive investment environment is a key factor in attracting investment and stimulating economic growth.

Table 3

The main measures to ensure the attractiveness of the investment environment

T/p	Promotional tools	The main advantages of attracting foreign investment
1.	Stability of the political and economic situation	Investors are looking for countries with reliable political systems and stable economies, where the rules of the game are clear and do not change frequently.
2.	Protection of property and rights of investors	It is important that the country has strong legal and institutional mechanisms to ensure the protection of property and investors' rights.
3.	Market openness and transparency	Investors appreciate the availability of information about the market, its conditions and opportunities. Transparency helps reduce risk and increase confidence.
4.	Regulatory effectiveness and predictability	Quick and efficient business registration procedures and simple but effective regulation help simplify the investment process.
5.	Infrastructure quality and resource utilization	Investors value quality infrastructure (transportation, energy, communications) and access to key resources such as energy and water.
6.	Skilled labor	The presence of qualified and knowledgeable personnel is important for the successful implementation of investment projects.
7.	Investment promotion measures and incentives	Government incentives, tax breaks, free trade zones and other tools can attract investors.
8.	The level of corruption	The fight against corruption, the existence of transparent control mechanisms are also

		important in attracting investment.
9.	Market access and export promotion	The investment environment can be attractive if it provides preferential conditions for access to large markets and exports.
10.	Innovation ecosystem	A developed innovation ecosystem, the presence of scientific and research centers, support for startups, and the development of technological clusters can also attract investors interested in new technologies and developments.

The overall effort to create a favorable investment climate requires cooperation between the government, the business community and society at large to ensure sustainable economic growth and prosperity.

Attracting foreign investment has become an important element of the development strategy of many countries in the context of globalization and market integration. Attracting foreign investment is an important strategy for many countries, as it contributes to economic development, job creation, and technology transfer. The main methods of attracting foreign investment are:

1. Attractive investment environment. Creating a favorable environment for investors, including transparent rules and laws, stability of political and economic situation, protection of property and investment rights, minimization of bureaucratic procedures.
2. Advertising and marketing. An active marketing campaign to attract the attention of potential investors, including participation in international exhibitions, conferences and promotional events.
3. Investment benefits and incentives. Providing investors with various benefits such as tax breaks, subsidies, duty and customs exemptions, as well as investment in infrastructure and support through government programs.
4. Infrastructure development. Improvement of transport, energy, communication and other types of infrastructure to ensure efficient operation of enterprises and improve the investment environment.
5. Cooperation with international organizations and investment funds. Cooperation with international financial organizations such as the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD) and attracting investments through international investment funds.
6. Participation in international trade agreements. In order to create favorable conditions for foreign investments, join international trade blocs, conclude bilateral and multilateral free trade agreements.
7. Education and upbringing. Development of educational programs and trainings to improve the skills of local personnel and create a skilled labor force, which will make our country more attractive for foreign investors.

These methods can be used separately or in combination, depending on the specific characteristics of the country and its goals in attracting foreign investment.

As is known, a specific methodology for assessing a country's investment attractiveness for the purpose of attracting foreign investment is not established by any international law, therefore, recently, various methodologies have been used to calculate investment attractiveness indicators.

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