



IMPROVING THE LEGAL FUNDAMENTALS FOR ATTRACTING FOREIGN INVESTMENT TO THE NATIONAL ECONOMY

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Annotation: *Today, the most effective factor influencing the development of the economy is foreign investment. Therefore, ensuring macroeconomic stability, guaranteeing the protection of the rights of foreign investors and the creation of a broad system of incentives remain the priorities of prudent investment policy in the country today.*

Keywords: *economy, investment, investor, law, law, rule, result.*

INTRODUCTION

On the basis of investments, the country's production will expand, employment will increase, industrial enterprises will be modernized and incomes will increase. As a result, the welfare of the population increases. Investments are also categorized. It analyzes investments into two groups: domestic investments and foreign (foreign) investments. It is obvious that the efficiency of foreign investment is high. Because while domestic investment in the country ensures the active movement of existing capital in the economy, foreign investment proves its effectiveness by adding additional capital to existing capital. In this regard, the President of our country Sh.M.Mirziyoyev said: "World experience shows that the country that pursues an active investment policy, has achieved sustainable growth of its economy. That is why it is no exaggeration to say that investment is the driver of the economy, in Uzbek, the heart of the economy. Along with investment, new technologies, best practices, highly qualified specialists will come to various industries and regions, and entrepreneurship will develop rapidly "[1].

RESULTS AND DISCUSSION

Foreign investment has a direct impact on macroeconomic stability in the country. As mentioned above, foreign investment will provide additional capital to the economy, reduce unemployment and increase the country's production capacity. All of these are indicators of macroeconomic stability. Therefore, the following factors indicate macroeconomic stability in the country:

- no problems with income distribution; recorded stable economic growth rates;
- the state budget deficit is moderate to GDP;
- stable exchange rate.

The above factors are one of the indicators of the level of macroeconomic stability in the country. One of the key factors here is the even distribution of income. Along with the increase in income, its flat distribution is also important. That is, it is important to ensure that most of the revenue does not go to individuals.

Regular economic growth is also an indicator of macroeconomic stability. Foreign investment is directly proportional to economic growth. In other words, as foreign investment grows, so does economic growth. Because one of the main components of GDP is investment.

As a result of reforms aimed at creating a favorable investment climate in Uzbekistan, the volume of foreign investment in the country's economy is growing (Figure 1).

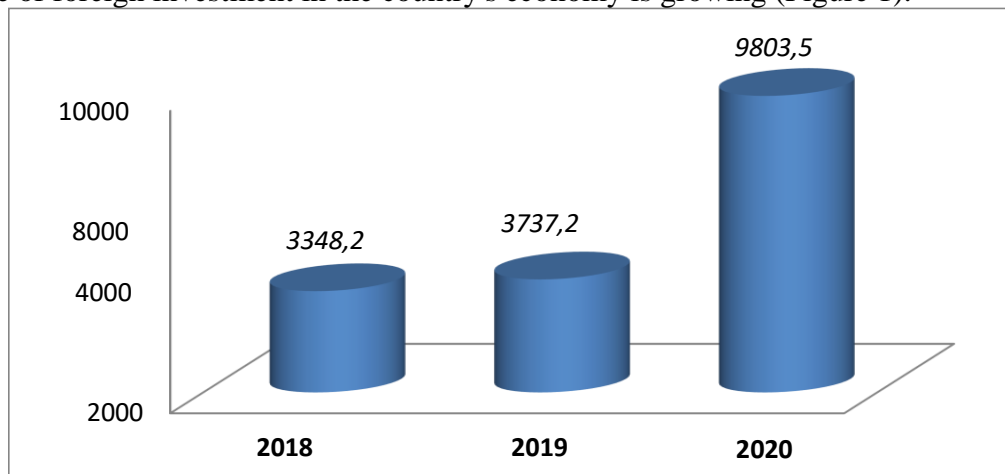


Figure 1. Development of foreign investments and loans in 2017-2019 (mln. USD)

If we look at the volume of foreign investments and loans disbursed in 2018-2020, we can see the following: In 2018, the volume of foreign investments and loans disbursed amounted to 3348.2 mln. In 2019, the figure was 3,737.2 million US dollars. USD, and in 2020 it will be 9803.5 mln. U.S. dollars. These data show that the volume of foreign investment in the economy is growing from year to year.

Based on the analysis, it is advisable to implement the following proposals aimed at increasing the volume of foreign investment in the economy of Uzbekistan:

- Continuous improvement of legal, socio-economic and other conditions that ensure the attraction of direct capital investment in the economy of the republic;
- further improvement of practical work aimed at increasing the efficiency of investments in the economy and on this basis to increase the efficiency of investments in the economy;
- Development of new high-tech manufacturing enterprises and increase of investments;
- Directing foreign investment in technical and technological modernization of existing manufacturing enterprises and providing additional benefits to investors investing in this area.

CONCLUSION

In conclusion, foreign investment is one of the main factors that have a positive impact on economic development. High economic growth can be achieved by increasing foreign investment. Foreign investment will help modernize manufacturing enterprises in the country, create new enterprises and, as a result, create new jobs. As the level of employment increases, so does the income of the population, and the well-being of the population increases accordingly. As investment is a major component of GDP, an increase in foreign investment leads to an increase in the country's gross investment and, as a result, an increase in GDP. In addition, foreign investment will serve to improve the country's export potential. As the volume of foreign investment grows, so does the



country's export potential. In general, foreign investment plays a key role in ensuring macroeconomic stability in the country and is the biggest positive factor in macroeconomic stability.

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