
The Importance of Enterprises with the Participation of Foreign Capital in Attracting Foreign Investment

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Abstract: This article discusses the importance of enterprises with the participation of foreign capital in attracting foreign investment. The special role of foreign investments in the modernization and liberalization of the economy was justified and their importance in replenishing financial resources in the economy was emphasized. The analysis of the participation of foreign capital in economic sectors is carried out.

Keywords: foreign investments, joint ventures, state guarantee, foreign enterprises, export and import.

After the Republic of Uzbekistan gained State independence, the processes of penetration of foreign capital began. From the first year of independence to 2010, a total of 157 joint ventures and 7 foreign enterprises were established in the Namangan region of the Republic of Uzbekistan for a total of 153.1 billion. Uzbek soums attracted foreign investment. In particular, 64 joint ventures were established in the region in 1991-1995. During the same period, 657.8 million soums (at the expense of the city of Namangan) foreign investments were mastered. In 1996-2000, 53 joint ventures and one foreign enterprise were established for a total amount of 12.1 billion. soums are attracted for foreign investment. By 2001-2005, 22 enterprises had been established, which was sharply reduced compared to previous years. The reason is that at the beginning of the years of independence there were many industrial enterprises and idle enterprises that did not work.

In 2006-2010, 22 joint ventures and 6 foreign enterprises were established in the region for a total amount of 102.5 billion rubles. soums. This is calculated without taking into account inflation, although it is expressed in the fact that it is 186.5 percent higher than in 2001-2005, 8 times higher than in 1996-2000, and 15.6 times higher than in 1991-1995. At the same time, there is an increase in the share of foreign direct investment in the total volume of foreign investments attracted to Namangan region, including in 2001, when 88 percent of foreign investments received in the region were foreign investments under a state guarantee, foreign direct investment amounted to 12 percent, in 2010 the volume of foreign direct investment was 77 percent, and foreign investments under the state guarantee amounted to 23 percent.

In the conditions of modernization and liberalization of the economy, the activities of enterprises with foreign investments play a special role. To make rational use of the advantages of the international distribution of labor in global conditions, it is necessary to achieve a higher level of organization of joint ventures producing export-oriented products, while at the same time creating a favorable investment environment to attract foreign investment into the economy. The growth of joint ventures indicates the inflow of foreign investment and production opportunities in the country, as well as the pace of economic growth. Attracting foreign investment through the creation of joint ventures is one of the most common forms.

In addition, they are closely involved in replenishing state budget revenues, import substitution, in the production of export-oriented goods, in the provision of services and, finally, in addition to saving free currency, increasing their revenues to the national economy, increasing the stability of the national currency - the Uzbek soum, in addition to reducing the level of renewal of fixed assets.

Joint ventures based on foreign investments have been established in all regions of our country, and they closely support the formation of the socio-economic infrastructure of regions, districts and cities in accordance with the requirements of the time. The number of enterprises with foreign capital operating in Namangan region in 2020 amounted to 220 units, which increased by 82 units or 59.4% compared to the corresponding period of the previous year.

In addition, 146 enterprises operating with the participation of foreign capital are joint ventures, 74 of them are foreign enterprises. It should be noted that enterprises with the participation of foreign capital, which according to international rules can be classified as large enterprises, are not yet available (Figure 1).

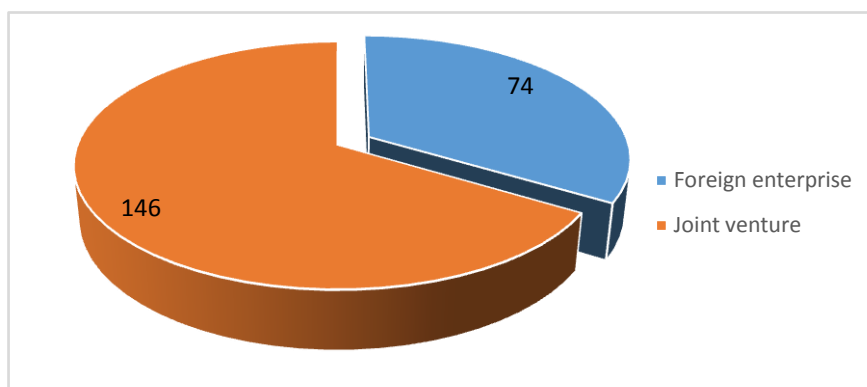


Figure 1. Number of joint ventures and foreign enterprises in the structure of enterprises with the participation of foreign capital operating in Namangan region (2020, units) [1]

In the Namangan region, it can be seen that mainly countries such as China and Russia make up the number of enterprises with capital participation. This figure is almost 40 percent of the total number of participants. Of course, these figures are strongly influenced by the financial potential of these countries. At the same time, one more factor cannot be ignored. Business relations with the People's Republic of China and the Russian Federation are yielding good results in the near future. Therefore, such relations with Turkey, Korea and other republics should also be intensified (Figure 2).

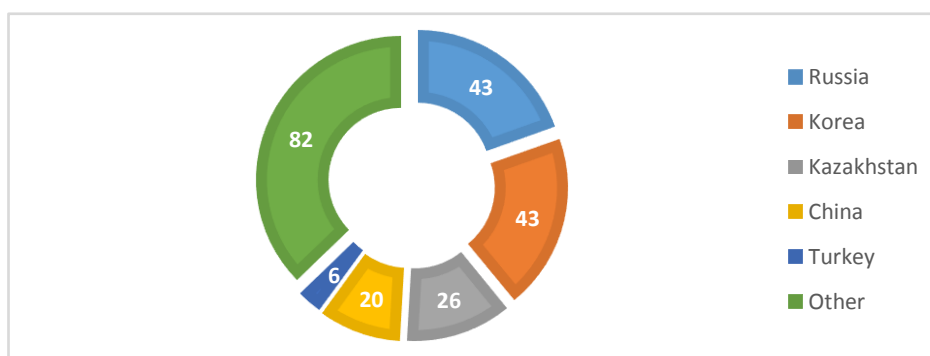


Figure 2. Number of enterprises operating with the participation of foreign capital in Namangan region by country (2020, units) [2]

If we look at the enterprises operating in Namangan region with the participation of 220 foreign capitals in the spheres of economy, 122 (55.5%) of them are industry, 25 (11.4%) of them are trade and agriculture, forestry and fisheries, 12 (5.5%) of them are construction, 9 (4.1 %) of them are medical and social services, 7 (3.2%) of them live and, 1 (0.5%) information and communication and 17 (7.5%) other activities correspond to the share of enterprises with foreign capital operating in the sectors of the economy (Figure 3).

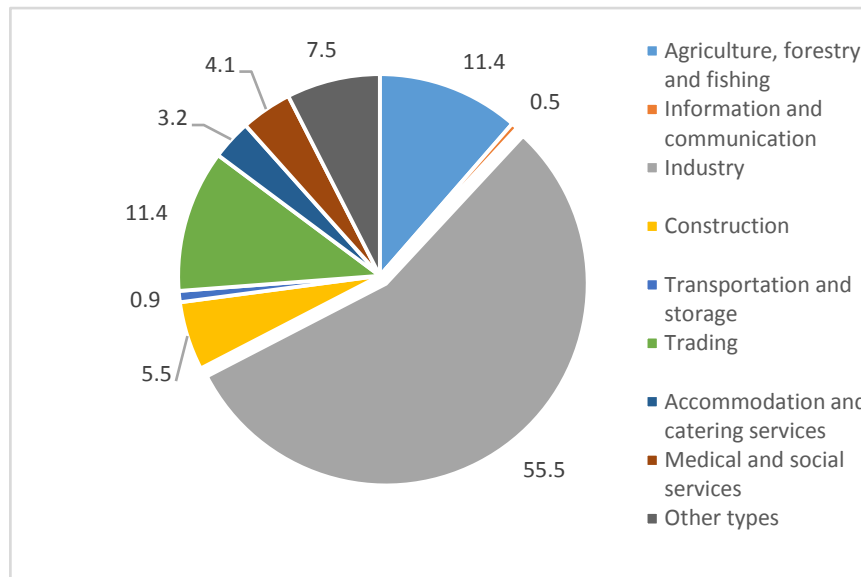


Figure 3. The share of enterprises with the participation of foreign capital operating in the sectors of the economy of Namangan region, (2020, %) [3]

This means that the bulk of enterprises with the participation of operating foreign capital corresponds to the type of production and commercial activity. Also, the minimum share corresponds to the types of transport and storage, as well as information and communication activities.

Of course, it should be noted that the smaller penetration of foreign investments into the region, for example in Tashkent, depends on a number of factors and reasons, the main of which are the following. Including:

the fact is that consumers who are in demand for goods, works and services produced by joint ventures in the capital have a high level of solvency compared to other regions;

relatively well-organized financial and social infrastructure in the capital;

since the railway, the airport and the ministry, and most of them are located in the capital, the registration of joint ventures and the creation of facilities for the import of raw materials and materials or for the export of finished products;

relative sufficiency of sources of financing for the purpose of carrying out investment activities for the purpose of re-production of the enterprise, etc. [4]

Significant changes in attracting foreign investments into the economy of Namangan region indicate that the number of enterprises operating with the participation of these foreign investments and the volume of products produced by them are increasing from year to year. Taking into account a number of priority aspects of joint ventures based on foreign investments in relation to the economic entities of the region, they have been given great attention since the first days of independence in the Namangan region.

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