

Implementation of Investment Programs and the Preservation and Effective use of New Capacities Created through these Programs

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ABSTRACT

The article scientifically examines the content and directions of state policy on state support of new capacities created within the framework of targeted programs for the development of the national economy.

KEYWORDS: *production facilities, investments, state support, tax benefits, investment projects, jobs*

Determination and analysis of the effectiveness of individual directions, forms and mechanisms of their attraction of foreign investments is a rather complex issue and is carried out in the interests of the relevant subjects. With this, this issue should also take a place in improving the socio-economic mechanisms for maintaining and increasing the efficiency of production potential created by investments made in the economy.

Regulatory legal norms in the legislation of the Republic of Uzbekistan are aimed at regulating foreign investments and the activities of foreign investors, but at the same time they also have problematic places that arise in the processes of implementing investment projects. This can also be explained by the fact that the processes of structural reform in the economy are consistently continuing, the conditions and possibilities of investment are positively changing.

In Uzbekistan, large-scale measures are being implemented to support the effective use of production and service capacities created by entrepreneurs in every possible way, to actively attract foreign investments, to improve the competitive environment.

By the decree of the president of the Republic of Uzbekistan dated February 7, 2017 No. 4947 PF "on the strategy of actions for the further development of the Republic of Uzbekistan", numerous measures on the priority areas of development and liberalization of the economy in Uzbekistan were established and implemented.

During 2017-2021, about 300 laws and more than 4 thousand decisions of the president of the Republic of Uzbekistan were adopted and implemented in order to radically reform all spheres of state and public life within the framework of the strategy of action on the five priority areas of development of the Republic of Uzbekistan.

In particular, continuing the policy of reducing the tax burden and simplifying the taxation system, in recent years the total number of taxes has been reduced from 13 to 9, reducing the property tax rate from 5 percent to 1.5 percent, Value Added Tax from 20 percent to 15 percent.

About 6 thousand customs rates on imported products were reduced, about 200 licenses and permits were canceled and simplified.

Financial support was provided to small businesses and private businesses in the implementation of investment projects for the development of the production and services sectors of commercial banks in our republic. In particular, within the framework of territorial programs adopted by commercial banks in 2017-2021, more than 92.8 trillion soums of loan funds were directed for almost 34.5 thousand investment projects.

To achieve these results, a new system for working with foreign investors was introduced on the principle of "single window" and the activities of the Ministry of investments and foreign trade were established, which provides comprehensive assistance to investors, covering all regions and sectors.

As a result, the volume of annual foreign investments involved in the economy of the Republic increased 3.5 times, and in 2017-2021 its total value was increased to \$ 56.6 billion.

The law of the Republic of Uzbekistan "on investments and investment activities", adopted on December 25, 2019, is one of the most important documents that serve the penetration of foreign investment and the expansion of foreign trade. The law aims to create a system that is convenient for investors and aims to increase the security of investments and encourage foreign investors.

This law provides for the provision of benefits, protection of the rights of subjects of investment activity, guarantees for the investor to prevent negative changes in the legislation, accurate information on changes and updates in the goals and methods of supporting investments by the state, advice and information support to the investor, investment taxes, conclusion of an investment agreement with the government.

In accordance with Article 34 of the law of the Republic of Uzbekistan "on investments and investment activities", the benefits applied to state support of investments and investment activities and the provision of state-owned objects or property rights to them from preferences to the investor at preferential or zero purchase value, granting benefits on taxes and payments, subsidizing interest rates on loans.

In particular, foreign investors are given benefits and preferences depending on the volume of investments being invested, the conditions of the place where the investment project will be implemented, the expected socio-economic effect and the creation of new jobs, the areas and sectors of the investment project implementation.

Also, on the basis of the customs code, investors are provided with customs duty exemption benefits, including:

enterprises with a share of foreign investment in the authorized capital of more than 33% have the property to be imported into the customs territory for their production needs for 2 years;

goods imported into the customs territory by foreign legal entities that have made a direct investment with a total amount of more than \$ 50 million (if there is a production product);

technological equipment imported according to the list approved in accordance with the legislation, as well as components and spare parts, provided that they are provided for by the terms of the contract of supply (in the case of realization or gratuitous transfer of technological equipment to export within 3 years of importation, the validity of this privilege is canceled with the restoration of;

enterprises with the participation of foreign investments, whose share in the monetary form of a foreign investor is not less than \$ 5 million, within 10 years from the date of state registration, income tax from legal entities, Value Added Tax, property tax, improvement and social infrastructure development tax, single social payment, single tax payment and mandatory deductions to the fund for the development;

construction of the necessary external engineering and communication networks outside the production area within the framework of investment projects worth more than \$ 50 million and with a share of a foreign investor of at least 50% is carried out at the expense of budgetary funds and other internal sources of financing;

the establishment of additional requirements and restrictions on the activities of foreign investors and enterprises with foreign investments by state organizations is strictly prohibited;

simplification of the visa procedure for employees of foreign companies participating in the implementation of investment

projects (registration of entry and multiple-entry visas for a period of 12 months) is established.

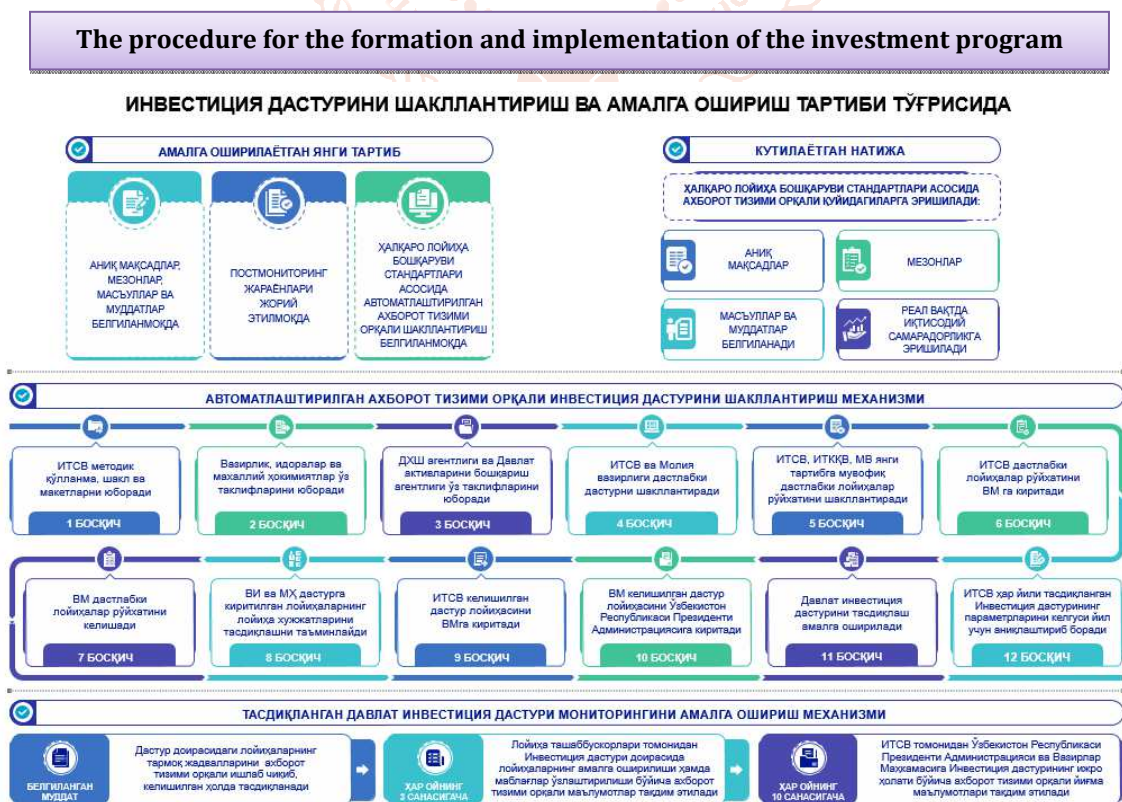
In order to ensure the gradual preparation of promising investment projects, timely development of project documentation, opening of financing in its term, appropriation of funds, as a result, the launch of capacities, the current system for the formation of the program of investments in the national economy, the decree of the president of the Republic of Uzbekistan dated May 14, 2019 PF-5717 on

To carry out this task, the decision of the Cabinet of Ministers dated July 22, 2019 No. 616 "on organizational measures to introduce and use an information system in the field of control and monitoring of investment projects" was approved. This included the formation and maintenance of the information base of promising and implemented investment projects with the participation of foreign investments, systematic monitoring of the state of their implementation (Scheme 1).

When introducing investment projects into the investment program, the following main criteria were considered:

- feasibility and cost-effectiveness of the project;
- social interests aimed at ensuring an increase in the standard of living of the population;
- the relationship of the project with the expected results of the concepts and programs for the development of proven industries and territories;
- placement of projects in vacant or purposefully unused public property facilities;
- production of products intended for export and/or import substitutes;
- selected based on the energy efficiency of the project and the energy efficiency seen as a result of its implementation.

Scheme 1



* ИТСВ – Инвестициялар ва ташқи савдо вазирлиги; ДХШ – Давлат хусусий шерикчилик агентлиги; ИТҚВ – Иқтисодий тараққиёт ва камбағаллини қисқартириш вазирлиги; МВ – Молия вазирлиги; ВМ – Вазирлик ва идоралар; МҚ – Маҳаллий ҳокимликлар

The results expected from the decision of the government, which made the projects formulated on the basis of these criteria, are:

an impressive and transparent mechanism of selection was introduced, taking into account the possibility and prospects of calculating investment projects, their economic efficiency, project feasibility, production of products intended for export and/or import substitutes, energy efficiency of the project and the energy efficiency seen as a result of its implementation;

the observance of the basic principles of the complex deployment of production forces, in particular, led to the development of the engineering and communication infrastructure of the project (electricity, gas, water supply, sewerage, road and other infrastructure), production of raw materials, deep processing of fuel, infrastructure, agricultural products, bringing them closer to transport and communication and labor resources, first of all, mastering;

investments in sectors and sectors of the economy have led to the implementation of projects that, through investments in improving the efficiency, first of all, ensure an increase in the standard and quality of life of the population, and add a bias to the development of the social sphere.

The production facilities created as a result of investments will last for many years. The rational and effective use of their capabilities becomes a constant and systematic process. Therefore, in order to analyze the level of use of created production facilities and facilities, to assist project initiators in achieving technical and economic indicators on investment projects, the task was set to create a post-investment (post) monitoring system for the Republic by decree of the president of the Republic of Uzbekistan dated December 28, 2020 No. 4937.

In order to carry out this task, the following directions were determined:

- the projects launched by carrying out the inventory are analyzed. In this case, each enterprise, comparing it with the indicators in the plan (technical and economic regulation), is determining the imbalance;
- on the basis of the "enterprise" system of low-power projects, the problems are studied and specific proposals are prepared on the identified problematic issues and their elimination;
- identified problematic issues and measures to eliminate them are developed and introduced into the government in agreement with the relevant organizations;

at least 2 times a month, the attached responsible employees carry out monitoring of the production process at enterprises, analyze the execution of each task, and develop proposals on unresolved issues and systematically enter the government.

Through this system, a systematic analysis of the production and service efficiency of the projects commissioned within the framework of investment programs is carried out.

Over the past five years, 55,605 projects with a total value of 593.4 trillion soums have been launched within the framework of investment programs in the Republic, with an annual production volume of 287.9 trillion soums and 884.2 thousand jobs created.

During 2022, the production of products worth 231.4 trillion soums and the provision of services were provided in the

launched projects. In order to provide state support to enterprises launched during 2017-2021 within the framework of investment programs, those responsible for providing practical assistance to each enterprise were attached.

Responsible persons carry out monthly monitoring after investment, identify problematic issues that negatively affect the production process, and develop "measures" to improve the health of enterprises operating at low power.

Based on the results of post-investment monitoring of the projects launched within the framework of the programs, problematic issues at the Republican level, which negatively affect the production process at enterprises, were identified and "measures" were established and implemented by the government commission on solution. In particular, eliminating 387 problematic issues identified in the short term, 356 enterprises achieved recovery of production volumes of 19.2 trillion soums, export volumes of \$ 86.3 million and 16,896 jobs.

Due to the support of these enterprises, serious attention has been paid to increasing the income of the population through the export of manufactured products. In particular, during 2017-2021, exports of agricultural products worth \$ 187.5 million were carried out at the expense of the launched projects, revenues of 6.2 trillion soums were directed to the additional budget, and business entities received a profit of 10.2 trillion soums due to the cultivation of products from the launched projects.

One of the important issues is the comprehensive development of the services sector in ensuring the sustainable development of the economy, increasing the standard of living of the population and ensuring effective employment.

For the development of the service sector, during 2017-2021, as part of investment programs, about 25.2 thousand projects were launched and 239.6 thousand jobs were created due to the orientation of investments of 95.2 trillion soums.

Over the past 5 years, 110.5 trillion soums have been provided by service enterprises launched under the program, and additional 15.0 trillion soums have been received in the state budget.

In particular, for every billion soums focused on the established projects, there were 2.5 jobs in the Republic. Including 4.3 jobs in Navoi region, 4.2 jobs in Surkhandarya, 4.1 jobs in Samarkand and 3.8 jobs in Fergana due to each billion sums of investment directed.

Due to the reforms carried out, Uzbekistan's gross domestic product volume at the end of 2021 provided an increase of 734.6 trillion soums or 2.9 times compared to 2016. In particular, the GDP grew by 4.0 times (189.6 trillion soums) in industry compared to 2016, by 2.6 times (262.5 trillion soums) in services, by 2.5 times (235.4 trillion soums) in agriculture, forestry and Fisheries.

In general, in order to constantly support these enterprises, to preserve the existing capacities, a mechanism has been created for the study and solution of problematic issues of enterprises that negatively affect the process of production and provision of services. Within its framework, it has been provided with assistance in providing infrastructure to enterprises, allocating loans for working capital, finding

buyers for products, bringing additional equipment and raw materials from abroad, identifying problematic issues related to the buyer of products and resolving them in a short period of time.

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