

**CREATING AN EFFECTIVE ENVIRONMENT FOR ATTRACTING
FOREIGN DIRECT INVESTMENT IN THE TEXTILE INDUSTRY IN THE
REGIONS**

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ANNOTATION

In this article, analyzed the dynamics of foreign investments attracted to the textile industry, determined their degree of effectiveness.

Keywords: free economic zone, special economic zone, flexible tax, competitive environment.

The world experience of the establishment of special economic zones shows that in many countries the issue of choosing the place of their establishment is based primarily on the geographical location of the region. At the same time, the mandatory conditions or signs of the location of special economic zones are the presence of large transport corridors, the necessary infrastructure.

Since the lands on which free economic zones can be located may cover a large number of zones of other countries, we consider the competitive environment of their activities in the Republic of Uzbekistan.

Tax and customs administration have a special place among the mechanisms of management of economic activity of enterprises and the economy in general. Together, they create the main pillars of the effective operation of enterprises, increasing the competitiveness of products and services, a competitive environment and investment climate. The positive impact of the application of flexible tax and customs policies can be seen in the example of enterprises operating in free economic zones. In order to encourage the establishment and rapid development of enterprises in priority sectors, taxes and customs duties on materials commonly used in the production of export-oriented goods and on the export and import of machinery and equipment will be abolished or reduced to a minimum. In addition, firm-investors are usually guaranteed tax holidays of 5 to 35 years, in some cases this period does not have clear boundaries at all and corresponds to the period of production of export products.

Zones may have different relationships with foreign entrepreneurs and employees, but in most zones preferential taxation applies not only to property, but also to the income of professionals and managers working in the zone, as well as the effective development of enterprises through the application of best practices.

The size of the benefits should be set in such a way as to ensure the attraction of investments, otherwise their granting will be unprofitable for the receiving state. Decreases in profit tax in the FEZ are based on an increase in revenues from state income tax, real estate tax, payments for the use of infrastructure, taxes paid by firms and their employees on the consumption of goods.

Each zone uses a unique combination of customs and tax benefits. Most investors believe that all zones will have almost the same attractiveness according to the system of indicators. This is also due to the involvement of the same experts in the creation of FEZs. At the same time, the origin of capital, its amount and other characteristics create certain priorities for enterprises of different industries. Therefore, it is advisable to consider the management of specific zones, rather than some moderate rules of management.

The world experience of organizing and operating special economic zones has shown that they really ensure the achievement of various goals. The main goal of creating free economic zones is to ensure that countries are more widely involved in the process of developing the international division of labor. This, in turn,

will increase the production of competitive products for export and thus increase the inflow of foreign currency into the country. True, if for some reason the country is unable to provide a broad path in the economy for foreign entrepreneurial capital or to stimulate exports, then it can do so within the boundaries of free economic zones.

The priorities set by Uzbekyengilsanoat JSC for the development of the industry are aimed at the production of high-quality, competitive products that can meet today's requirements, based on the re-equipment of existing enterprises, their reconstruction, attracting foreign direct investment in free economic zones. based on the organization of textile complexes.

In order to attract more foreign direct investment, the company has developed a new investment strategy, which includes the following:

- implementation of new projects in the form of foreign direct investment, with a completed production cycle, provided that foreign partners transfer at least 30% of the project cost;
- modernization and technical reconstruction of existing textile and knitwear enterprises.

Today, Uzbekistan and China are establishing cooperation in the textile industry. Uzbekyengilsanoat with the participation of Chinese companies has invested 36.0 million soums. is implementing 9 projects worth \$. Also, work is underway to implement the following projects:

- 1) production of finished fabrics (denim fabric, terry towels, shirt fabrics);
- 2) production of finished knitwear;
- 3) textile accessories;
- 4) production of umbrellas, buttons, zippers, etc .;
- 5) Textile machines;
- 6) parts for weaving machines and spinning mills.

In 2013-2015, work was carried out on 5 major investment projects to be implemented in the Jizzakh Special Industrial Zone. The main objectives of the establishment of free economic zones in the country include:

- Creation of a preferential regime for the production of goods, services and investment in the member states of the free trade zones in Central Asia;
- removal of barriers to the free movement of goods, services and investments;
- creation and development of an effective system of mutually beneficial settlements and payments for trade and other operations;
- harmonization of legislation necessary for the effective functioning of free trade zones;
- supporting the development of cooperative relations and creating favorable conditions for mutually beneficial investments;
- Organizational restructuring of the entire economy through the growth of production and services, increasing export potential, improving social protection, investment and GDP growth.

Achieving this goal can be achieved by solving the following tasks: technoparks, technopolises, high-tech clusters, new high-tech development zones, technical and economic development, innovation zones, agro-industrial parks, services, rapid development of production, promotion of advanced equipment and technology. it is necessary to improve the legal framework, to improve the regulatory framework that will allow to accelerate economic growth on a new technological basis and create new jobs to increase the social protection of the population.

Much attention should be paid to the formation of processes for the systematic and large-scale implementation of innovations based on the use of the achievements of scientific and technological progress. In

this case, it is important to note that scientific potential is the most valuable resource. It is a unique resource in its own right, or owning it will enable it to take the lead in the future division of labor, to have decisive advantages in the competitive struggle.

We can draw the following conclusions on the improvement of mechanisms for attracting foreign direct investment in the textile industry:

In our opinion, the strategy for attracting foreign direct investment to the textile industry and the regions should include the following steps:

The first step is to choose a strategy. At this stage, the strategic basis for attracting investment and the implementation of tactical tasks will be determined.

The second stage is analysis. At this stage, the socio-economic situation is analyzed, the existing investment processes are studied and monitored, foreign investors are sought based on potential, and investment risks are identified.

The third stage is the priorities. At the stage, the goals and objectives of the strategy, the parameters of future economic growth, priority sectors and production are selected and the consequences of bringing foreign investment to them are studied.

The fourth stage is the development of mechanisms. It is based on creating the most favorable investment conditions for foreign investment.

The fifth stage is coordination and monitoring. At this stage, the process of implementation of investment projects is closely monitored, the various situations that arise are analyzed and proposals are prepared.

At the same time, it should be noted that it is necessary to make the investment climate in Uzbekistan more favorable and solve a number of problems:

- capital investments still do not make up a significant share of GDP;
- the company's own private investment resources are relatively low;
- interest rates are set at a high level;
- Insufficient development of the capital market;
- investment activity requires organizational and legal improvement of the business base;
- The need to ensure sustainable development of infrastructure, transport, communications, energy systems;
- The priorities for the implementation of public investment policy should be formally stated.

The economic-organizational block of the mechanism of investment attraction can be realized only in the joint activity of effective state guarantee and legislative system, normative, information security of foreign investments, guarantee and re-guarantee of foreign investments, development of banking and credit system.

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