

FOREIGN EXPERIENCES OF INCREASING INVESTMENT ACTIVITY IN SMALL INDUSTRIAL ZONES AND OPPORTUNITIES FOR THEIR USE

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Abstract: The article examines foreign experiences of increasing investment activity and the possibilities of their use. The urgent importance of increasing investment activity is focused on the full use of the advantages and characteristics of the industrial potential of the region. In the Chinese experience of increasing investment activity in industrial zones, the main aspects that take into account the economic potential of each region are highlighted.

Keywords: small industrial zones, investment program, investment project, investment activity, consulting, emission, investment potential, investment environment, investment resource

The main aspects of optimizing production and financial activity in economically developed countries require deep integration processes in the world economy.

Therefore, the leading countries of the world are required to ensure the practical implementation of a number of tasks, which are based on the organization of structural changes in the economy, and which contribute to the development of scientific-technical, technological and social potential.

Economic development processes based on the effectiveness of an open economy and market mechanisms are leading to the prioritization of the activities of industrial zones, which are considered the main form of attracting new technical, technological and innovative resources to the country. At the same time, the total number of industrial zones in the world has exceeded 1,200, and according to statistics, this indicator is growing at an annual rate of 7 percent¹.

The United States, Japan, South Korea, and European Union member states are calling for the "opening of a special administrative region" the so-called priority economic policy is being implemented, which aims to improve governance at all levels of the country's foreign relations system, optimize the composition of export products, attract foreign investment, including foreign loans, develop joint forms of economic activity, promote private partnerships and based on priority principles aimed at the development of scientific and technical cooperation. The Chinese economy is of particular importance in foreign experiences of increasing investment activity in industrial zones. This situation plays an important role in China's economic development. As a result of government policies aimed at encouraging foreign investment inflows over the past decade, China now controls approximately 25 percent of total

¹ Ван Чао, Полоник С.С. Современная экономика Китая. Белорусский государственный университет. Монография. – Минск: Право и экономика, 2016. – 40 с.

foreign investment directed towards developed countries.²

All levels of the reform of China's foreign relations system are based on improving management, optimizing the composition of export products, attracting foreign investments, including foreign loans, developing joint forms of economic activity, private partnership and scientific and technical cooperation.

Today, 6 Special Industrial Zones occupying only 0.62% of the total area of the People's Republic of China produce 6.04% of the country's gross domestic product, as well as 7% of the budget revenues and the country's foreign trade volume. is 18.57 percent³.

In China, resident enterprises in Special Industrial Zones are granted a preferential income tax rate and partial exemption from taxes for five years of economic activity. According to the tax legislation of the People's Republic of China for Special Industrial Zones: residents' activities are not subject to tax for 2 years, and for the next 3 years, the tax rate is 50 percent. Хитой ҳукумати саноат зоналарининг экспортга йўналтирилган фаолияти учун алоҳида сармоялар жалб этиб боради. The Chinese government is attracting special investments for export-oriented activities of industrial zones. It also allocates subsidies for the development of priority industries in the regions, modernization of enterprise activities, and purchase of raw materials. Through targeted financing programs, China is improving the quality and quantity of its exports. In industrial zones, special incentives and loans from the Central Bank of China will be granted for shares in enterprises controlled by foreign investors of more than 25 percent.⁴

The urgent importance of increasing investment activity in China's industrial zones is characterized by its focus on fully utilizing the advantages and characteristics of the region's industrial potential. Also, specialized industrial zones in the regions reflect the measures that ensure the formation of innovative infrastructures and the implementation of cross-border trade and mediation services.

Particular attention has been paid to ensuring that Chinese enterprises have access to high-tech industrial development zones and are connected to potential business partners, with initial reforms in this regard beginning in 1988 with the establishment of the first state-level high-tech industrial development zone in Zhongguancun (Beijing).

1- table

China's State-level High-Tech Industrial Development Zones (SHIDZs)⁵

Province	YuTSRZ	Province	YuTSRZ
Beijing	Zhongguancun	Anhui	Hefei
Fujian	Fuzhou	Chongqing	Chongqing
Guangdong	Xiamen Torch	Gansu	Lanzhou
Hainan	Foshan	Guangxi	Guilin
Hebei	Guangzhou	Guizhou	Nanning

² Foreign direct investments in China: some lessons for other countries // IME policy discussion paper /internationalmonetary fund. – Washington D.C., 2020

³ https://www.bis.org/author/the_people's_bank_of_china.htm

⁴ https://www.bis.org/author/the_people's_bank_of_china.htm

⁵ Douglas Zhihua Zeng. China's Special Economic Zones and Industrial Clusters: Success and Challenges. The findings and conclusions of this Working Paper reflect the views of the author(s) and have not been subject to a detailed review by the staff of the Lincoln Institute of Land Policy. <https://www.lincolnst.edu/sites/default/files/>

Jiangsu	Huizhou Zhongkai	Heilongjiang	Guiyang
Shandong	Zhongshan Torch	Henan	Daqing
Shandong	Hainan International (in Haikou)	Hubei	Harbin
Tianjin	Baoding	Hunan	Luoyang
Zhejiang	Shijiazhuang	Inner Mongolia	Zhengzhou
		Jiangxi	Nanchang
		Jilin	Changchun Jilin
		Liaoning	Anshan Dalian Shenyang
		Ningxia	-
		Qinghai	-
		Shaanxi	Baoji Xi'an
		Shanxi	Agriculture (in Xi'an)
			Taiyuan
		Sichuan	Chengdu Mianyang
		Tibet	-
		Xinjiang	Urumchi
		Yunnan	Kunming

To date, China has 54 state-level high-tech industrial development zones - 25 in coastal areas and 29 in inland areas. Although they have played an important role in promoting China's high-tech industry, their performance is different.⁶

In high-tech industrial development zones, an adaptive policy is pursued towards foreign capital, and efforts are made to actively use economic incentives and incentive tools aimed at influencing the territorial and sectoral distribution of capital through measures to encourage it.

Summary.

In the Chinese experience of increasing investment activity in industrial zones, 3 main aspects can be distinguished, taking into account the economic potential of each region:

First, industrial zones provide a stable growth rate of foreign investment, the funds invested by investors are exported from China as finished products,

its price includes all taxes and fees paid by the manufacturer. The invested funds allow to improve the production capacity of enterprises, develop human capital, solve the problem of attracting advanced enterprises;

secondly, it encourages foreign investments directed to industrial zones, technologies and their

⁶ Douglas Zhihua Zeng. China's Special Economic Zones and Industrial Clusters: Success and Challenges. The findings and conclusions of this Working Paper reflect the views of the author(s) and have not been subject to a detailed review by the staff of the Lincoln Institute of Land Policy. https://www.lincolnst.edu/sites/default/files/pubfiles/2261_1600_Zeng_WP13DZ1.pdf



inclusion in relevant industries. This, in turn, requires the implementation of special measures of the state's economic policy, which will affect the country's investment attractiveness and the ability to effectively use investments through the development of competition; thirdly, the process of formation of industrial zones is based on the priorities of economic modernization and liberalization, and the priorities in this regard are reflected in the special legal system for attracting foreign investments.

Special attention was also paid to other important issues related to taxation for industrial zones in accordance with the legislation, optimization of the banking sector, and simplification of the customs clearance and regulatory system.

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