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APPROACHES TO INVESTMENT STRATEGY IN FOREIGN AND NATIONAL EXPERIENCES

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Abstract: The article titled "Foreign and National Approaches to Investment Strategy" focuses on the significance of investment strategies in economic development and analyzes the approaches adopted by different countries. The study explores the unique characteristics of investment strategies in foreign countries and Uzbekistan, examining their contributions to economic growth, social stability, and sustainable development. The paper highlights the impact of international and national investment policies on large economic systems, as well as the challenges and opportunities encountered when implementing these strategies in practice. Specifically, based on international investment experiences and the lessons learned, the article provides recommendations aimed at improving the effectiveness of existing investment strategies in Uzbekistan.
Keywords: Investment strategy, international experiences, national investment policy, economic growth, sustainable development, innovations, large investment projects, economic modernization, investment flows, the economy of Uzbekistan, investment problems, social stability.

Introduction. The investment strategy is an essential component for successful development in today's global economy. Changes in various sectors of the economy, technological advancements, and international economic relations demand the creation of new investment strategies. In Uzbekistan, as well as in other developing countries, the effective implementation of an investment strategy is a key factor for economic stability and long-term development.

National and international experiences provide the opportunity to identify successful mechanisms for attracting investments. At the same time, there is an increasing need to consider not only the economic but also the social and environmental aspects of investment strategies. Internationally implemented investment strategies, their effectiveness, and their application in various countries serve as a valuable source of experience for Uzbekistan.

This article analyzes the main approaches to investment strategy and examines their role and importance in Uzbekistan's economy. The most effective ways to implement large investment projects and ensure sustainable economic development are identified. By comparing national and international experiences, the article highlights the importance of selecting the right investment strategy and implementing it in practice.

This article helps in improving Uzbekistan's investment policy, as well as identifying the necessary strategies for fostering innovation in the national economy and adapting to global economic processes.

Unlike the developed countries, the experiences of developing and transitioning economies, which are closer to Uzbekistan in terms of their level of development, are of particular interest. These countries achieved significant results in implementing investment

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policies that match their level of development. The experience of developed countries shows that there are various approaches to organizing the production forces and regionally developing areas in terms of social and economic progress. Investment policies implemented by countries are generally not very different from each other.

In studying the most effective mechanisms for attracting direct foreign investments, the experience of developing and transitioning economies that have achieved significant results in a short time period of economic development is particularly valuable. Many foreign countries have a significant feature of regional policy: they have large administrative-territorial units, where regions are not just provinces, but cities and municipalities are the key organizational units. For example, we can refer to the following cases:

In France, the underdeveloped South-West region consists of 9 agglomerations and 17 cities, while in Spain, there are 10 "development centers" and 2 "industrial promotion centers." In Japan, 10 "industrial development districts" and 6 "new industrial cities" exist. In Italy, there are 12 "industrial development areas" and 26 "industrialization hubs." Germany has 300 "important population centers" and others. The experience of the Netherlands and Belgium in this field is particularly noteworthy.

It is important to note that the first law concerning the development of cities and villages in regions was adopted in Belgium in 1915. In many countries around the world, regional investment policies can be applied differently depending on the internal opportunities and conditions of each area. Among developed countries, Japan's experience in this field stands out for its distinct advantages.

The implementation of long-term regional social and economic development programs aimed at specific goals has allowed Japan to become one of the most advanced countries in the world in a relatively short period. Japan's regional investment policy takes into account the limited natural resources, the need to adapt human activity to environmental conditions, and the necessity of reducing disparities in living standards across different regions of the country. Additionally, many countries adopt regional investment policies that vary depending on the internal resources and conditions of each region.

India's investment policy effectiveness is highlighted by its global competitiveness index of 4.1, which is comparable to countries such as Egypt, Croatia, and the Czech Republic. Over recent years, India has made significant improvements in the composition of its exports, with 75% of exports being comprised of manufactured goods. In terms of economic and investment activity indicators, India is one of the leading countries among developing nations.

Key sectors prioritized for investment in India include non-basic manufacturing industries, non-bank financial services, food production, infrastructure development (such as highways, ports, and energy facilities), civil aviation, healthcare and pharmaceuticals, hospitality and tourism, electronics and software development, and the oil refining industry, among others. These sectors have been identified as priorities for enhancing economic growth and development through strategic investments.

In Thailand, recent reforms have focused on creating a favorable investment environment by liberalizing the economy, with particular attention to the banking sector and foreign trade regulations. Efforts have been made to strengthen macroeconomic stability, prioritize investment, ensure transparency in privatization, and offer incentives and preferential treatments. The country's recent initiatives are directly aimed at expanding sectors that attract

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foreign investments, simplifying investment regulations, tax collection methods, and offering various incentives to make the process more straightforward.

Additionally, Thailand has implemented measures to guarantee the protection of foreign investors' assets, ensure the repatriation of profits, and improve the country's international image through legal standards. These include organizing exhibitions, inviting investors and journalists, publishing materials for investors, and opening international offices focused on investments. These actions have helped improve the investment climate in Thailand, positioning it ahead of many other developing nations in terms of economic liberalization.

Despite the differences in investment policies among countries such as the United States, China, India, and Thailand, there are common elements in their investment strategies and mechanisms. These include promoting economic stability, offering incentives for foreign investments, ensuring investor protection, and making the process of attracting and managing investments more efficient. These shared approaches highlight the importance of a strategic and adaptable investment policy in driving economic growth and attracting global capital.

1. Role of the State: The role of the state in establishing an effective investment policy is crucial, especially during its formation stages. The state's responsibilities extend beyond merely creating an investment-friendly environment, attracting foreign investments, developing infrastructure networks, and establishing and enforcing the necessary legal frameworks. Additionally, the state plays a vital role in developing human and social capital, strengthening the institutional capacity of state institutions, and addressing challenges related to increasing investment in new innovative sectors of the economy.

2. Investment Environment: A favorable and robust investment environment should be in place to encourage direct foreign investments. In this context, the level of savings should not be less than 20% of GDP, and investment growth rates should exceed GDP growth rates (by 2-4 percentage points) to ensure a thriving investment climate.

3. Banking Sector and Financial Markets: The stable development of the banking sector and financial markets is essential. In many developing countries, the monetization rate is typically above 50%. Only in such cases can the idle capital of the population and entrepreneurs be effectively utilized, investment resources can be leveraged for higher productivity, and policies can be implemented to counteract inflation.

4. Systematic and Integrated Investment Policy: Investment policy is one of the key components of the country’s economic development strategy and is based on national interests. For example, China’s investment policy serves as an active tool for stabilizing cyclical development and ensuring the preservation of high growth rates, taking into account the cyclical nature of its economy.

5. Activity of State Institutions: Improving the effectiveness of state institutions responsible for investment policy is crucial. This is achieved by involving independent experts, including well-known scholars and reputable entrepreneurs, in decision-making bodies. These resources are also used to establish state-supported private investment-innovation funds, which help in generating seed capital.

6. Development of High Technologies: Many developing countries utilize the “catch-up” strategy to quickly reduce the gap in economic growth rates between them and developed nations. This involves public-private partnerships, sharing risks between the state and businesses, and financing marketing research, among other measures.

7. Prioritizing Human and Social Capital: Prioritizing investments in human and social capital is crucial for ensuring competitive growth, especially in economies with technological constraints. By attracting large-scale investments in these areas, developing countries can gain a distinctive competitive advantage.

In the field of education, reducing the "brain drain" in developed countries has become a critical factor in assessing the future economic growth prospects of developing nations. Foreign countries' experiences indicate that attracting direct foreign investments involves not only investment incentives but also strategies for promoting investments (investment promotion). Research based on the experiences of 50 developed and developing countries suggests that for every dollar spent on investment promotion, the country can achieve a return of four dollars in economic output. Investments that are targeted and accompanied by active marketing strategies tend to be the most effective.

The United States, with its highly developed economy and robust legal system, is considered a leader in creating a favorable investment climate. Currently, the U.S. is one of the top countries attracting foreign investments, accounting for about 20% of global foreign investments. The success in achieving such impressive results can be attributed to the U.S. government, which has played a key role in boosting foreign investments by granting the necessary authorities to individual states for managing investments. This decentralization has allowed local governance bodies to have the needed autonomy to promote investment flows effectively.

The U.S. government clearly understands that the introduction of foreign capital into the U.S. economy not only affects industry, trade, and inflation but also has a significant impact on national security. As a result:

States and local government bodies are granted autonomy to foster economic development within their territories, with a focus on supporting private businesses, services, and exports.

Foreign business capital is attracted and monitored effectively.

The growth of private enterprises is encouraged.

Fiscal policies are designed with motivating incentives.

These factors have led to increased internal competition among U.S. states, providing a unique impetus for the development of investment laws within the country.

In the U.S. economy, several key features distinguish its investment attraction and management:

The high flow of investments into the economy is supported by national and regional policies.

Capital exports and imports are promoted equally, leading the country to maintain a "net importer" status.

Foreign investments are monitored effectively, preventing misuse (such as corruption, violations of legal norms, and breaches of financial and credit agreements).

It's important to note that in the U.S., investment management is based on economic freedom, with minimal interference in the economic process. Over-interference could lead to the establishment of restrictive barriers. Therefore, U.S. foreign economic institutions focus primarily on maximizing export potential within the country and its regions, seeking to engage as many international economic participants as possible.

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Conclusions: The investment strategy is the cornerstone of a nation's economic growth, and its effective implementation not only ensures economic development but also contributes to social and environmental sustainability. Analyzing international and national experiences allowed for the exploration of various approaches to investment strategies, evaluating their economic effectiveness, and understanding how they can be adapted to the specific conditions of different countries.

The main objective of investment strategies for Uzbekistan is to support sustainable economic growth and innovation-driven development in the country. National and international experiences highlight that attracting investments requires not only financial resources but also the development of new technologies, human capital, and social infrastructure.

Furthermore, for the investment strategy to be effective, it is crucial for the government to create a positive investment climate, offer incentives to international investors, and improve the national business environment. For Uzbekistan, the development of the investment strategy should focus primarily on ensuring economic stability, social welfare, and ecological balance.

In the future, improving Uzbekistan's investment strategy, developing innovative technologies, and expanding international cooperation will open up opportunities to ensure the country's economic and social stability. This, in turn, will help strengthen Uzbekistan's position in the global economy.

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