

Economic and Legal Basics for the Establishment of Foreign and Joint Ventures in Uzbekistan

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Abstract. The organization of business activities, attracting foreign investment and forms of cooperation with investors are discussed in this scientific article. Forms of attracting foreign investment have been identified. Mechanisms for attracting foreign investment in the manufacturing and business sectors and the legal framework for their incentives were discussed. The procedure for further intensification of the investment policy pursued in the country and the registration of enterprises with foreign investment was assessed, in particular, in the case of Kashkadarya region.

Keywords: investment activity, investment climate, investors, free economic zones, industrial zones, Eurasian Economic Union.

Introduction

The foreign economic policy of our country is aimed at strengthening its position in the world market, strengthening its balance of payments, creating a favorable investment climate, attracting foreign investment in the economy as a priority in foreign economic policy. Significant work is being done to create the necessary legal, socio-economic and other conditions for this, to assist in the establishment of joint ventures, as well as to protect the interests of investors. As a result, a total of more than \$ 10 billion will be disbursed in 2021, including \$ 8.1 billion in foreign direct investments [1]. As a result, 318 large and more than 15,000 regional projects have been implemented and more than 273,000 jobs have been created. The new businesses have the potential to replace more than \$ 1 billion in exports and \$ 530 million in imports.

Despite the fact that the coronavirus pandemic still has a significant impact on economic processes, there has been a steady increase in exports. In particular, in 2020, the country's exports exceeded \$ 9 billion, and in 2021 - \$ 12 billion. It is noteworthy that the share of finished and semi-finished products has increased significantly.

The activities of a foreign investor are regulated by the Law "On Investments and Investment Activities" which was adopted on December 9, 2019. With its adoption, the previous 12 laws were repealed, and the state regulation of investment activities was consolidated into a single piece of legislation. This law allows foreign investors to invest in Uzbekistan in various forms [2].

LITERATURE REVIEW.

Simulation of important success factors for joint ventures, bibliometric analysis of joint ventures and sustainable development, economic factors of joint venture development have been studied in depth in the work of foreign economists such as Martin Rom, Javier Munoz de Prat, Maria Eskriva-Beltran and Roberto Gomes-Calvet.

Scientists from CIS countries such as V.Syatsin, I.V.Kudryashova, S.A.Molchanenko, S.D.Reznik, A.O.Kamalova, D.G.Kiselev, T.A.Shamber, B.L.Shinchuk, R.V. Gorlov and others discussed issues such as ways to develop small joint ventures, assess the economic development of joint ventures in the region, the organizational and economic basis for the establishment of joint ventures.

In turn, the work of economists of our country also contributes to the study of this problem. In particular, they are obviously reflected in the scientific works O.Oqyulov, R.R.Abduraupov, A.Qobilov, F.M.Matmurodov, N.G'.Karimov, I.Khotamov, M.T.Yaxshiyeva, M.Yu.Isakov,

N.S.Jurayev[3].

At the same time, insufficient research and development, scientific and monographic research on the objective necessity and scientific and theoretical basis for the establishment of joint ventures in the socio-economic development of the regions. The establishment of a company with foreign capital is directly affected by economic and political changes in the world. As a result, the activities and fate of foreign or joint ventures depend directly on the legislation of the country. This means that it requires constant research on the topic of research.

RESEARCH METHODOLOGY. Scientific abstraction, analysis and synthesis, induction and deduction, comparison, grouping methods were used in the research process.

ANALYSIS AND RESULTS.

By the end of 2021, Kashkadarya region exported industrial and agricultural products worth \$ 217.4 million, an increase of 168% over the previous year.

In addition, the number of export-oriented products increased to 120 due to the introduction of 5 types of new products. The products were exported to 7 countries - Belgium, Spain, Switzerland, Jordan, the Netherlands, Australia, and the Czech Republic, bringing the region's export geography to forty.

It should be noted that in 2021, the first export of household appliances was launched in our region. Azerbaijan and Kazakhstan exported TV sets and refrigerators (air conditioners) produced in our region.

Exports of industrial and agricultural products totaling \$ 248.4 million by 2022 will increase by 150% compared to 2021.

In 2022, it will be possible to launch the export of 25 new types of products (ready-made clothes, leather shoes, ceramic and granite tiles, food and fruits and vegetables) and to master the export geography of Vietnam, Italy, Denmark and Chile. caught in the act.

About the types of financial assistance and subsidies provided by the state to exporting enterprises:

- ❖ Reimbursement of international standards and certification costs;
- ❖ Reimbursement of presentation and advertising campaigns;
- ❖ Payment for participation in international tenders and competitions;
- ❖ Reimbursement of costs for registration of products and brands with foreign authorities;
- ❖ Reimbursement of participation in business seminars, trainings, business forums and trade missions;
- ❖ Exhibition - payment for participation in fair events;
- ❖ Subsidizing part (50%) of air, road and rail transportation costs for the delivery of export goods;
- ❖ Subsidies for phytosanitary certificates and certificates of origin for fruits and vegetables and textiles;
- ❖ Allocating subsidies to exporters for the cost of insurance premiums when using insurance services as collateral;
- ❖ Reimbursement of costs associated with the delivery of product samples abroad;
- ❖ Registration of products and services on international electronic trading platforms and payment of membership fees.

The foreign trade turnover of Kashkadarya region in January-November 2021 is as follows:

For 11 months of the year, the foreign trade turnover of Kashkadarya region amounted to 559.1 million US dollars (90.4% compared to the same period last year), the structure of foreign trade turnover amounted to 215.7 million US dollars (38.6%), imports \$ 343.4 million (61.4). In terms of foreign trade turnover, Turkey (20.6%), the People's Republic of China (19.9%), Russia (16.3%), Switzerland (8.1%), Kazakhstan (6.2%) are the partner countries with the highest share.

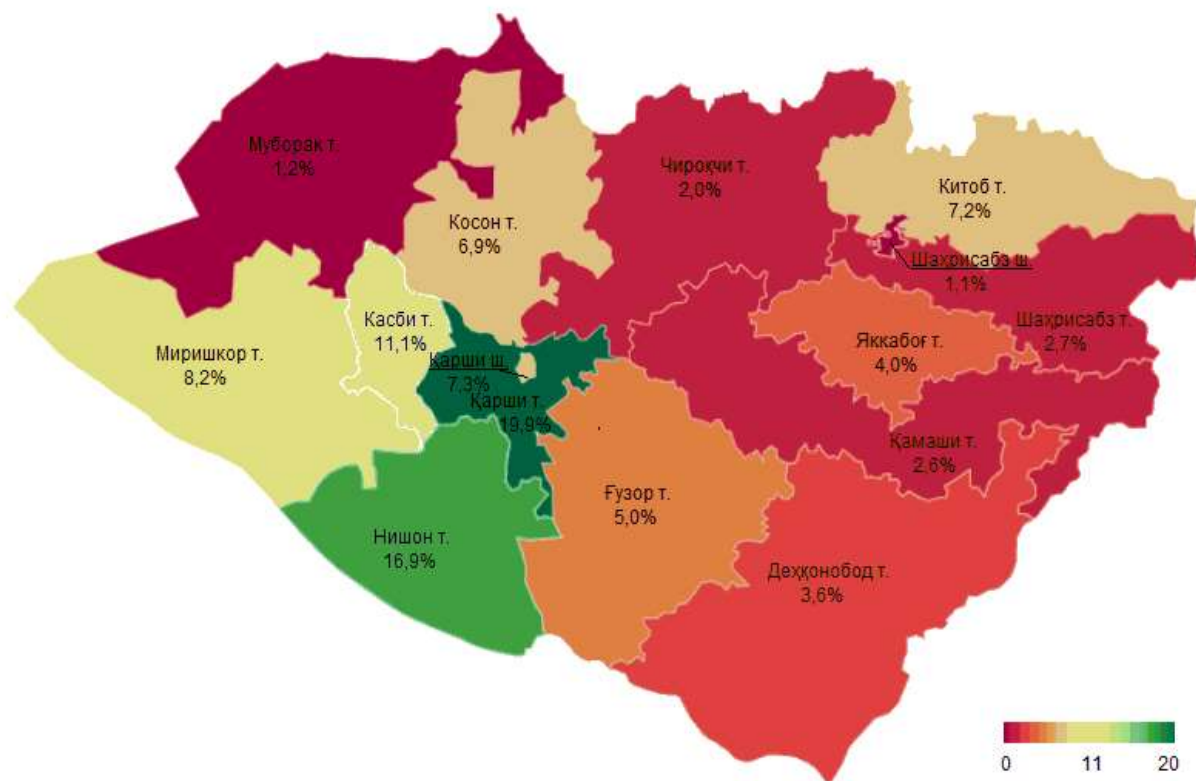


Figure 1. The share of districts (cities) in the foreign trade turnover of Kashkadarya region in January-November 2021 (%)

Karshi (19.9%), Nishan (16.9%), Kasbi (11.1%), Mirishkor (8.2%), Kitab (7.2%) districts and Karshi city (7.3%) has the largest share in trade turnover. The regions with the lowest share in this regard are Shahrissabz (1.1%), Mubarek (1.2%) and Chirakchi (2.0%) districts.

Export. In the first 11 months of this year, the region's exports increased by 21.9% compared to the same period last year, as a result of rising prices for some raw materials on world markets and measures taken by the government to stimulate exports. 53.7% of exports were made by industry enterprises (68.7% in the same period last year), 43.4% by regional enterprises (30.3% in the same period last year).

The share of yarn in exports - 61.1%, fruits and vegetables - 18.1%, textiles - 7.0%, pharmaceuticals - 1.9%, food - 0.8%, other products - 11.1%.

For 11 months of this year, the export of metal and metal products - 14.5 times, transport and its spare parts - 10.4 times, paper and cardboard products - 3.3 times, pumps - 3 times, 3 times, natural minerals - 3.2 times, yarn - 1.9 times.

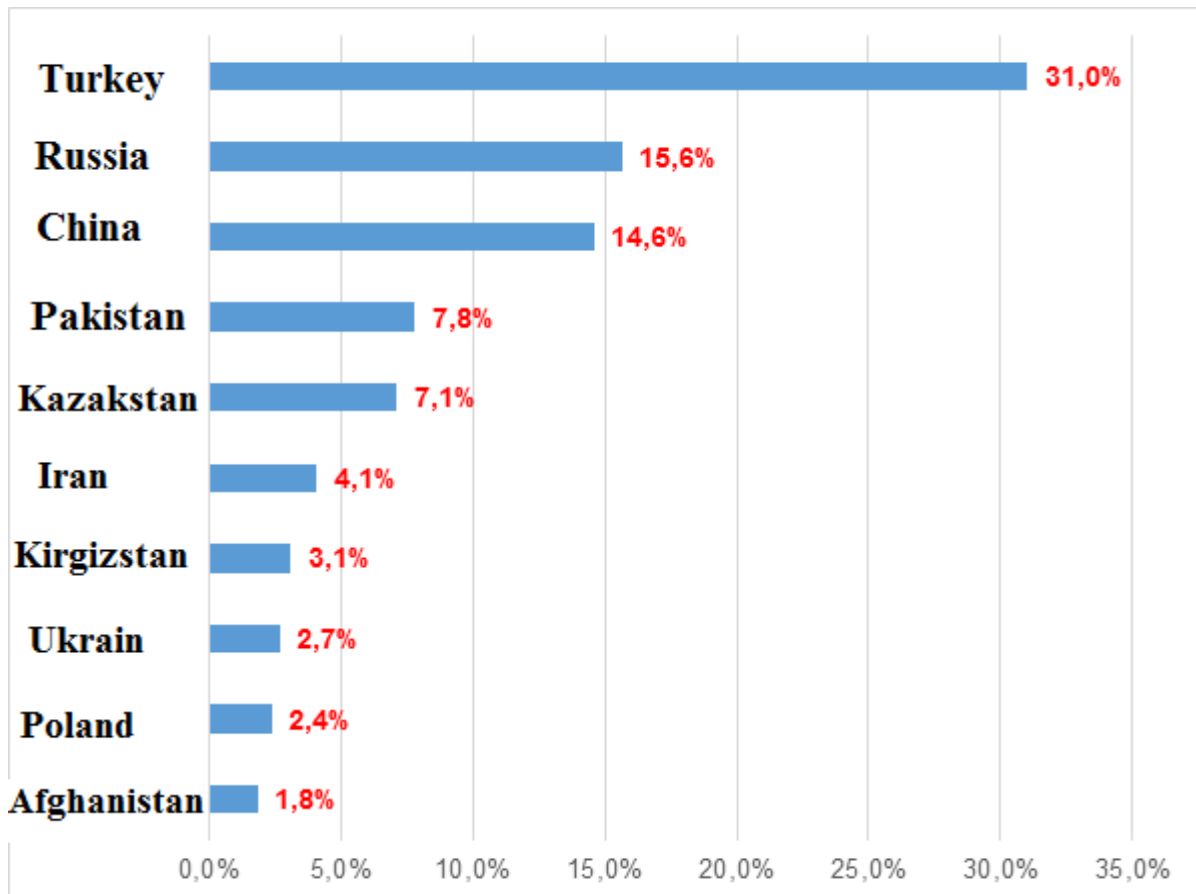


Figure 2. Countries with the highest share of Kashkadarya region's exports in January-November 2021 (in percent)

Analyzing the volume of exports by countries, for the first 11 months of this year, the region's main partner countries are Turkey - 66.9 million US dollars (31.0% of total exports), Russia - 33.7 million US dollars (15.6%). , To the People's Republic of China - \$ 31.5 million (14.6%), to the Islamic Republic of Pakistan - \$ 16.8 million (7.8%) and to Kazakhstan - \$ 15.4 million (7.1%) products were exported.

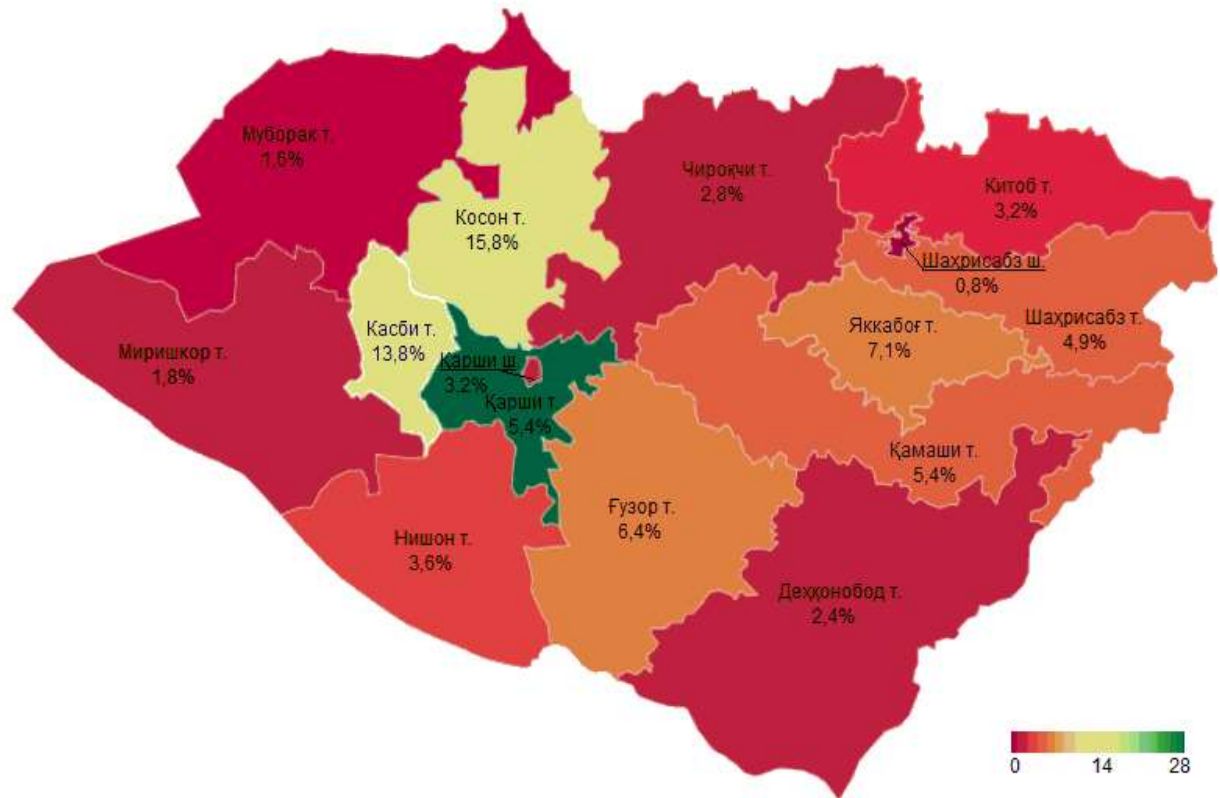


Figure 3. The share of districts (cities) in the exports of Kashkadarya region in January-November 2021 (in percent)

The regions with the highest share in exports are Karshi (27.1%), Kasan (15.8%), Kasbi (13.8%), Yakkabag (7.1%) and Guzar (6.4%) districts. Shahrisabz city (0.8%), Mubarek (1.6%) and Mirishkor (1.8%) districts have the lowest share.

Import. In the first 11 months of this year, the volume of imports in Kashkadarya region amounted to 343.4 million US dollars, a decrease of 22.3% compared to the same period last year.

17.5% of imports were made by industry enterprises (22.4% in the same period last year), 82.5% by regional enterprises (77.6% in the same period last year).

The share of technological tools and equipment in imports - 45.0%, metals and metal products - 14.5%, electrical engineering and its parts - 6.1%, chemical products - 6.0%, pumps - 4.7%, other products - 23.7%.

According to some brands, for 11 months of this year, imports of wood, plants exceeded by - 2.2 times, live animals and their parts - 2.1 times, ceramics - 1.5 times, food - 1.4 times.

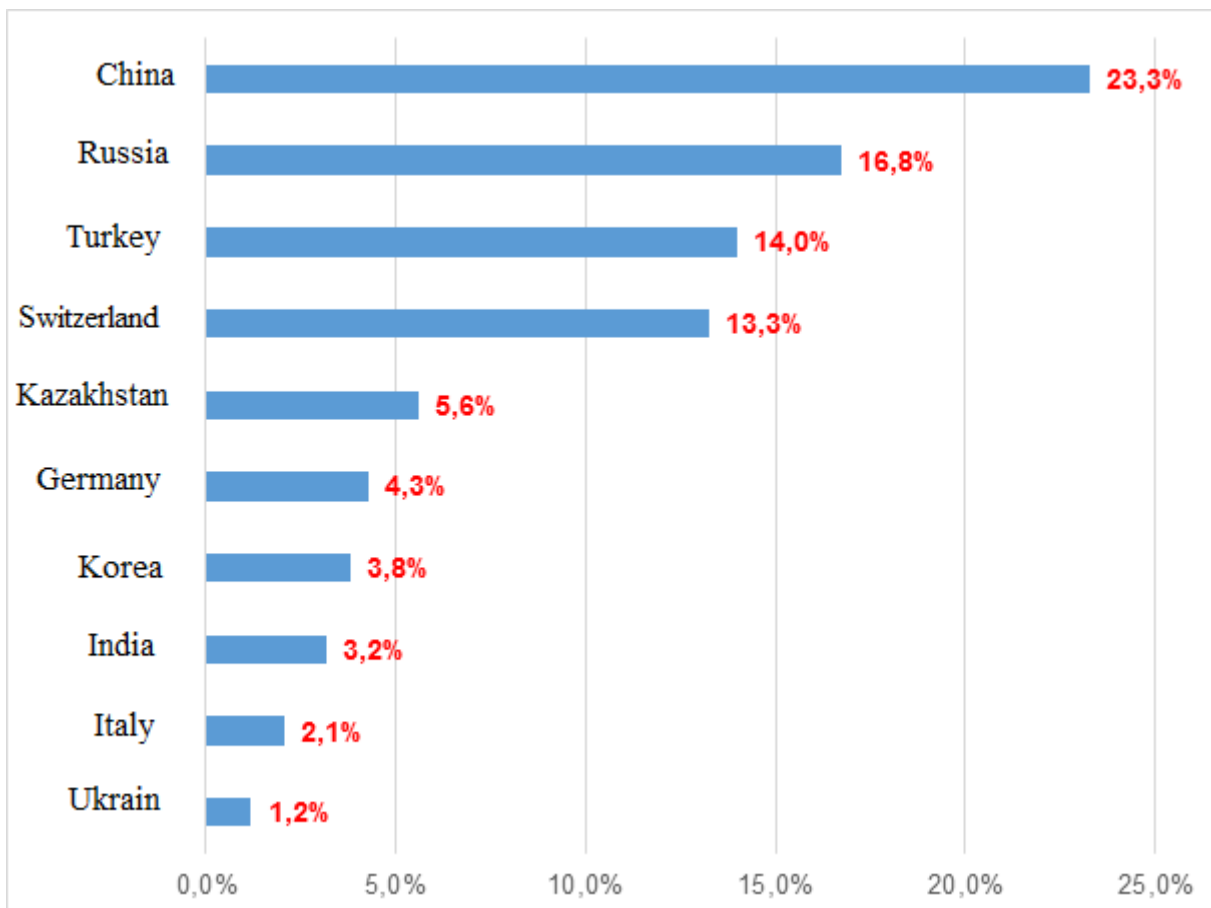


Figure 4. Countries with the highest share of Kashkadarya region's imports in 11 months of 2021 (in percent)

The share of the People's Republic of China (23.3%), Russia (16.8%), Turkey (14.0%), Switzerland (13.3%) and Kazakhstan (5.6%) in the region's imports is high. It should be noted that Switzerland has become one of the largest importers in the region due to the import of technological equipment by textile clusters in the region.

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