

Improving the Organizational and Economic Mechanism of Increasing the Investment Activity of Free Economic Zones

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ABSTRACT

The article examines ways to ensure investment attractiveness by choosing an investment object and effectively deploying an investment portfolio while improving the organizational and economic mechanism of increasing investment activity of free economic zones. The existence of investment conditions affecting the trajectory of the investor's activity is justified in improving investment activity. In increasing the investment activity of free economic zones, scientific proposals and practical recommendations related to the design of the organizational basis for the implementation of the investment project in the investment object, ensuring its attractiveness, and improving investment relations have been formed.

KEYWORDS: *free economic zone, investment activity, innovation activity, business environment, investment attractiveness, investment process, investment relations, investment object.*

Introduction

The global practice of ensuring macroeconomic stability and achieving high rates of economic growth within the country is reflected in ensuring compliance with the production relations of production forces through the organization of industrial zones and their territorial placement. This process is also of special importance in the activity of free economic zones, the main purpose of organizing their activity is to ensure effective use of complex possibilities of industrial production development by improving innovative activity and business environment at the regional level.

In recent years, strategic and targeted state programs aimed at improving the territorial aspects of industrial production in our country, encouraging the development of free economic zones, and reflecting a number of investment incentives aimed at increasing the innovative and investment attractiveness of certain regions.

Uzbekistan has developed a unique experience in organizing and ensuring the effectiveness of free economic zones, taking into account the existing world experience of ensuring the effectiveness of free economic zones and socio-economic development of regions and the laws of their development. The practical aspects of this experience indicate that special attention should be paid to investment relations in the operation of free economic zones. Despite the high level of attention paid to the processes of improving the organizational and economic mechanism of increasing the investment activity of free economic zones in our country, the duplication of functions of state management bodies in coordinating the activities of free economic zones leads to a delay in solving organizational issues related to the implementation of investment projects (2018). A number of such cases serve to justify the urgency of conducting research aimed at improving the organizational and economic mechanism of increasing the investment activity of free economic zones in our country, simplifying the coordination and management system, improving the relevant conditions for attracting investments, and improving the system of rapid implementation of investment projects.

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2. Literature review

The processes of improving the organizational and economic mechanism of increasing the investment activity of free economic zones have been comprehensively interpreted in the scientific studies of foreign economists such as O.G.Timchuk, L.G.Nikityuk, E.Yu.Gorbachevskaya. Focusing on improving the business environment and increasing the investment activity, priority is given to determining the promising directions of increasing the competitiveness of the country's economy in the world economy (2019). In accordance with P.V.Pavlov's research, it is proposed to increase the investment activity of free economic zones by providing preferential lending and taxation, providing state guarantees for external financing of export production, state assistance in the release of local products to foreign markets, and providing a package of certain benefits to investors (2006). In the studies of M.A.Furshchik, A.V.Shutova, M.S.Prozorov, A.V.Savelev, M.A.Goryacheva, implementation of a methodological approach based on the strategic goals and tasks of regional development in increasing the investment activity of free economic zones, it is noted that special attention should be paid to the organizational and legal aspects of investment attraction (2014).

In D.Y.Khujamkulov's research, the investment activity of free economic zones is noted as an important result factor for the possibility of foreign investors to acquire local resources. Therefore, it is justified that the operation process of free economic zones and its efficiency depends on an active investment policy (2019). In accordance with the results of scientific research carried out by Kh.S.Asatullaev, B.O.Tursunov, M.A.Mamanazarov, the analysis of foreign experiences in attracting investments in increasing the investment activity of free economic zones, the mechanism of stimulating investment activities to the possibilities of effective use of the investment potential of the regions referral is recommended (2019). In the researches of M.A.Raimjanova, it is recognized that increasing the investment activity of free economic zones can be achieved by moving the national economy to the path of innovative development, including introducing innovations into the activities of local economic entities (2013). In the research conducted by M.K.Rashidov, it is emphasized that the general aspect of increasing investment activity in free economic zones is the investment environment with customs, financial, tax incentives and a favorable economic system created for entrepreneurs (2011).

Above, scientific research aimed at researching the processes of improving the organizational and economic mechanism of increasing the investment activity of free economic zones, ensuring the effectiveness of the investment policy in the industrial zone, implementing the development of investment programs that meet the requirements of the time, creating a favorable investment environment and implementing the mechanisms for attracting investment resources given priority, it can be explained by insufficient attention to the processes of increasing the efficiency of investment projects aimed at the formation and development of the production potential of the regions.

3. Research methodology

In the research process, research methods such as systematic analysis, logical abstraction, induction and deduction were used to systematize the results of the analysis.

4. Analysis and discussion of results

The current stage of the development of the world economy is accompanied by the globalization and liberalization of world economic relations, the elimination of barriers to world trade, and the development of international business. In such conditions, it is appropriate to form prospective directions for ensuring the integration of the national economy into the world economic system.

In the context of the integration of the economy of Uzbekistan into the world economic system, the implementation of export-oriented economic development policy and the production and export of exportable products abroad, as well as the use of free economic zones in the introduction of import-

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substituting high-tech production, the implementation of the "open door policy" it is necessary to pay attention to the process of attracting foreign investors.

Today, 23 free economic zones and 348 small industrial zones are operating in our country and as a result of the implementation of 453 projects with a total value of 2.6 billion dollars, about 36 thousand jobs have been created in them. At the same time, it is worth noting the positive effect of direct foreign investment promotion mechanism on the use of internal sources of financing of investment activities in relation to the implementation of directions and types of investment resources for investment processes, different sources of investment financing and methods of their organization.

The investment environment created in the free economic zones of our country and its attractiveness will effectively attract investments, reduce the gap between the level of territorial differentiation of their placement, although it provides an opportunity to ensure effective financial stability in the context of individual sources of investment resources, its role in ensuring investment activity cannot be positively evaluated.

In our opinion, in this regard, it is appropriate to form an organizational-economic mechanism for increasing investment activity in free economic zones and ensure its trajectory. The organizational-economic mechanism of increasing investment activity includes the creation of the necessary organizational structures that ensure actions for the development and control of investment processes. The planning and management system occupies a special place in the relevant mechanisms for the implementation of investment activity in various investment projects. The organizational mechanism of investment activity provides detailed calculations of the movement of investment resources in free economic zones, formation of cash flows, analysis of the financial situation, assessment and implementation of measures to improve the financial situation.

In turn, the organizational-economic mechanism of increasing investment activity provides an opportunity to control the relationship between the plan and the effectiveness of investment activities. The organizational-economic mechanism of increasing investment activity in free economic zones makes it possible to ensure the following priorities:

- ensuring the priority of market factors of attracting potential investors to existing investment projects in the industrial zone;
- to provide investors with the opportunity to implement investment risk under acceptable conditions through the diversification system of placing the investment portfolio in investment projects;
- direct and reverse investment in investment projects optimizing the implementation of relations.

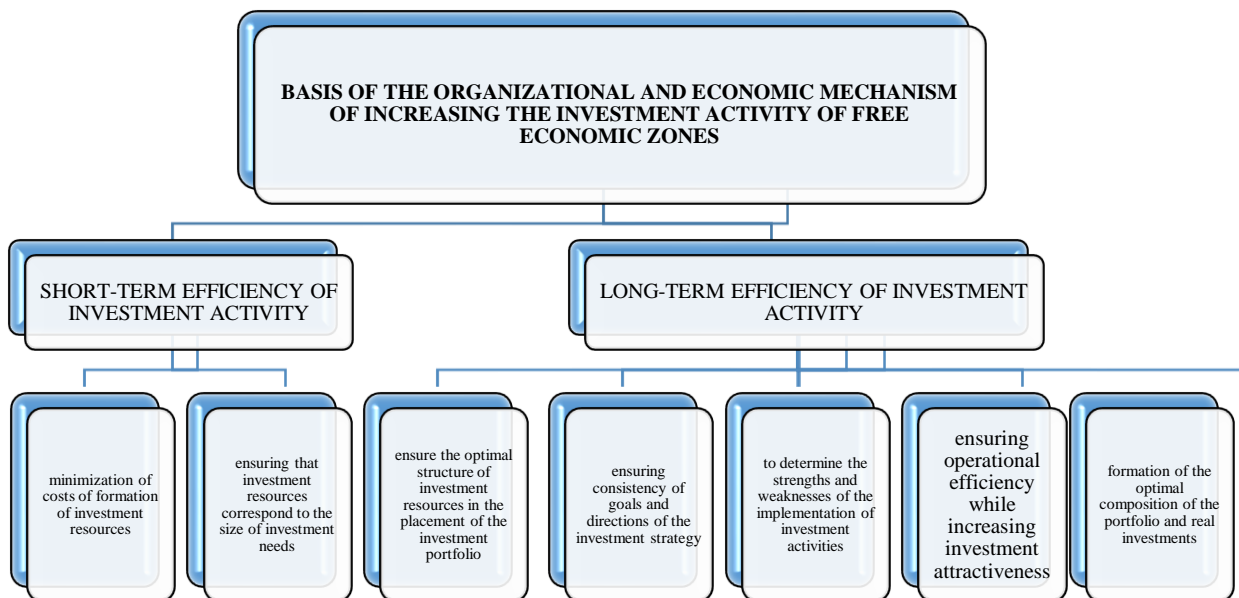


Figure 1. The systematized form of the organizational and economic basis of ensuring investment activity in free economic zones¹

The organizational and economic mechanism of increasing the investment activity of free economic zones is based on the following principles:

- taking into account the prospects for the development of investment activities of the canoe zone;
- ensuring efficiency of investment activity;
- systematization of ways of effective use of investment resources in the process of investment activity.

Free economic zones are required to use flexible forms of organization and management when the investment project ends normally or ahead of schedule. In this process, the organizational-economic mechanism of increasing investment activity of free economic zones includes purposefully created, interacting methods and forms, sources of investment financing, means of influencing the reproduction process at the macro and micro level.

5. Conclusions and suggestions

The effective implementation of the organizational and economic mechanism of increasing investment activity of free economic zones can be analyzed according to the results of the assessment of investment attractiveness and investment environment. The detailed methodology for assessing the investment attractiveness and investment environment of free economic zones is based on the current situation in the industrial zone.

In increasing investment activity in industrial zones, it is important to insure investments against non-commercial risks, guarantee investments, and form a legal system based on regulations for potential investors. In particular, the impact of changes in legislation on increasing investment

¹Formed by the author according to the research results

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activity has a significant positive character, increasing the possibilities of ensuring static and dynamic development of industrial production in free economic zones.

The organizational and economic basis of increasing the investment activity of free economic zones requires the development of the existing infrastructure in the area, the availability of financial, property and communication resources and their effectiveness. For this reason, in the implementation of investment projects in free economic zones, it is necessary to implement an approach based on the macroeconomic indicators of the regions. In this regard, the general efficiency depends on the level of labor, material and financial resources of the region.

The organizational basis of increasing the investment activity of free economic zones is related to the existence of the potential for introducing innovations in the regions, and the overall result serves to reduce the degree of differentiation between gross and net investment directed to the activity of free economic zones.

In our opinion, in the future, it is appropriate to focus on ensuring the practical implementation of the following tasks while improving the organizational and economic mechanism of increasing the investment activity of free economic zones:

- led to the emergence of many answers to this question, each of which has the right to exist, taking into account the diversity of the goals of these studies used.
- development of a definition system aimed at encouraging the entry of potential investors, taking into account the structural development characteristics of industrial structures in the regions with free economic zones;
- formation of cluster systems of industrial production in free economic zones in order to increase the effectiveness of regional industrialization policy;
- development of electronic databases containing information about the investment environment, created for the purpose of forming the "investment image" of free economic zones, and placing the electronic catalog of investment projects on the Internet;
- in evaluating the effectiveness of the "investment portfolio" in free economic zones; implementation of an approach based on the system of indicators, such as the presence of demand for investment, the number of investment projects, the level of mutual active relations between the participants of investment relations, opportunities for the development of industrial production with high scientific capacity;
- implementation of a monitoring system aimed at the effective use of incentives by the central, regional and local government bodies, along with the creation of favorable incentives for investing in free economic zones and doing business, etc.

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