HSR (LONDON),
HOUGHTON STREET REVIEW JOURNAL
ISSN: 2058-5519|Impact factor-15.9
http://houghtonstreetreview.com/index.php/hsr

ANALYSIS OF OPPORTUNITIES FOR IMPROVING INVESTMENT EFFICIENCY IN THE ECONOMY OF UZBEKISTAN

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Doi: https://doi.org/10.5281/zenodo.21820859

Abstract: This article analyzes the role of investments in the economy of Uzbekistan, factors affecting investment efficiency, and issues of improving the investment climate. Also, scientific and practical proposals are developed on the main areas of increasing the efficiency of investment projects.

Keywords: investment, growth, efficiency, digitalization, infrastructure, consortium, concession, deal, leasing, resource.

Introduction

Investment is one of the key drivers of expanding production capacity and introducing modern technologies. In recent years, the volume of investment in Uzbekistan has increased significantly. The government has implemented a range of measures aimed at improving the investment climate, supporting entrepreneurship, and protecting the rights of investors. In particular, the Decree of the President of the Republic of Uzbekistan No. PF-97, dated June 23, 2025, **"On Additional Measures to Encourage the Attraction of Foreign Direct Investment into the Country"** [1], clearly demonstrates the strategic importance of this sector.

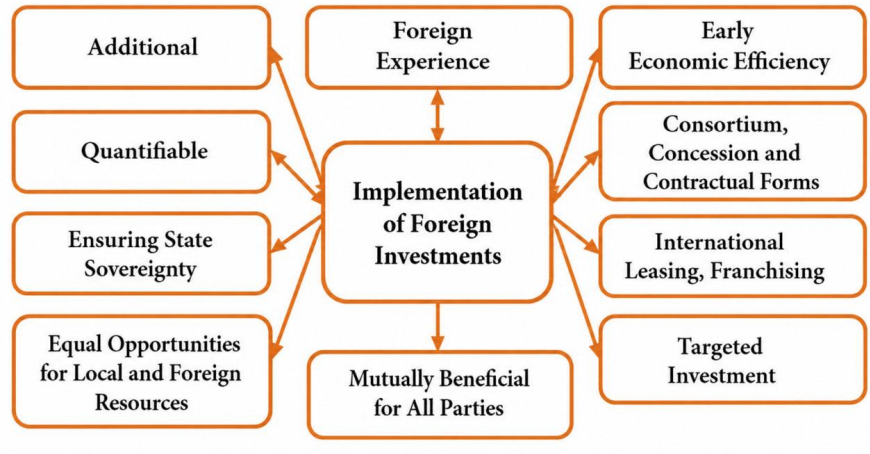


Figure 1. Measures for Enhancing Investment Efficiency [2].

The analysis indicates that foreign investment enters the economy of Uzbekistan in various forms. These include the establishment of joint ventures, investment in securities, participation in public-private partnership (PPP) projects, as well as the acquisition of ownership or usage rights to land and other natural resources. These forms represent key investment channels for foreign investors.

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Through these mechanisms, investors contribute not only financial capital but also advanced technologies and modern management expertise.

Furthermore, as illustrated in the figure, additional mechanisms for attracting foreign investment include the operation of free economic zones, consortium and concession agreements, international leasing and franchising systems, as well as specialized investment projects. These mechanisms are designed to create favorable conditions for investors and thereby enhance the country's investment attractiveness.

Literature Review

Investment has been widely recognized in both economic theory and practice as one of the key drivers of economic growth. International economists M. Todaro and S. Smith identify investment as a strategic factor in economic development and provide a scientific justification for its impact on economic growth, employment, and industrial modernization. According to the authors, an increase in investment volume contributes to higher production efficiency and ensures the sustainable development of the national economy [3].

Furthermore, the scientific works of A. V. Vahobov, Sh. X. Xajibakiyev, and N. G. Muminov examine the economic significance of attracting foreign investment, the legal framework governing investment activities, and the conditions created for investors. According to these scholars, the active attraction of foreign investment is an essential factor in enhancing the competitiveness of the national economy and facilitating the introduction of modern technologies [4].

Results and Discussion

Analyzing the regional distribution of foreign investment plays a significant role in enhancing investment efficiency in the economy of Uzbekistan. Foreign investment serves as one of the primary financial sources for expanding production capacity, introducing modern technologies, and strengthening the economic potential of the country's regions.

Table 1. Foreign Investment in Fixed Capital, According to the Data of the National Statistics Committee [5]

Republic of Karakalpakistan	38,9	37,4	38,7	56,6	70,1
Andijon region	36,3	45,6	48,4	63,9	77,9
Bukhoro region	48,2	58,5	58,4	72,1	82,3
Jizzakh region	61,9	44,5	47,3	70,7	75,6
Kashkadarya region	69,3	53,6	47	58	70,7
Navoiy region	67,8	61,3	54,4	66,7	82,1
Namangan region	37,2	29,8	34,7	55,7	82,3

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Samarkand region	27	34,9	52,7	49,3	59,6
Surkhondaryo region	60,1	45,2	42,3	66	62,4
Sirdaryo region	48,7	59,8	79,1	81,4	70
Toshkent region	26,7	34,3	32,4	56	71,3
Fergana region	41,3	39,1	44,8	51,8	60,9
Khorazm region	32	33,5	32,3	47,4	59,2
Tashkent	29,9	37,3	30	40,3	51,7

Our analysis indicates that, during the observed period, the share of foreign investment exhibited an upward trend in the majority of regions. This trend reflects the continuous improvement of regional investment performance and the active attraction of external financial resources into the national economy.

According to the data presented in the table, the highest shares of foreign investment in 2024 were recorded in **Bukhara Region (82.3%)**, **Namangan Region (82.3%)**, and **Navoi Region (82.1%)**. The active implementation of industrial, energy, and infrastructure projects in these regions has significantly increased the interest of foreign investors. In particular, the operation of free economic zones and the presence of large industrial enterprises in Navoi Region have substantially contributed to the growth of foreign investment.

The share of foreign investment in **Kashkadarya Region** also remained relatively high. Although it declined from **69.3% in 2020** to **47.0% in 2022**, it subsequently recovered to **70.7% in 2024**. This trend indicates the gradual implementation of investment projects within the region.

Moreover, **Andijan, Jizzakh, and Tashkent Regions** also experienced notable growth throughout the study period. For instance, the share of foreign investment in **Andijan Region** increased from **36.3% to 77.9%**, representing more than a twofold increase, while in **Jizzakh Region** it rose from **61.9% to 75.6%**.

The active attraction of foreign investment contributes to the creation of new production capacities, the adoption of advanced technologies, and the enhancement of the economic potential of the regions. Therefore, further improving the investment climate and creating more favorable conditions for investors remain key priorities for ensuring sustainable economic development.

Research Methods

The study employed contemporary methods of economic research. The methodological framework was based on a systematic approach, comparative analysis, statistical analysis, economic analysis, and scientific generalization.

During the research, the regional distribution of foreign investment was analyzed using statistical data obtained from the National Statistics Committee of the Republic of Uzbekistan, the

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Central Bank of the Republic of Uzbekistan, and international organizations. In addition, dynamic analysis and logical generalization methods were applied to identify the factors influencing investment efficiency.

Conclusion

Investment is a key driver of economic growth, the expansion of production capacity, the creation of new employment opportunities, and the enhancement of regional competitiveness. As a result of the ongoing reforms aimed at improving the investment climate in the Republic of Uzbekistan, both the volume of foreign investment and its share across the country's regions have been increasing steadily.

The findings of this study demonstrate that improving investment efficiency depends not only on attracting financial resources but also on their effective management, as well as on the comprehensive evaluation and continuous monitoring of investment projects. From this perspective, the digitalization of investment processes, the expansion of public-private partnership (PPP) mechanisms, the development of infrastructure, and the establishment of a favorable legal and institutional environment for investors are of paramount importance for enhancing investment efficiency and ensuring sustainable economic development.

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