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Foreign Experience in Implementing Investment Policy and Possibilities of its Application (On The Example Of The Fergana Region)

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Abstract: The article highlights the importance of developing and implementing investment programs in regions, their role in the socioeconomic development of the region, and defines the concept of "investment." International experience in regional investment policy is analyzed. The work being carried out to develop and implement investment programs in the Fergana region is described.

Keywords: investments, investment programs and projects, socio-economic development, foreign experience, investments.

Introduction

In the world, investment policy is one of the most important tools for socio-economic development at both the national and international levels. The state's task in this regard is to formulate investment programs, manage and coordinate them, and find effective solutions for their implementation. Today, there are various theoretical approaches to the implementation of investment policy. From this perspective, studying the positive experience of foreign countries in shaping and applying investment policy, while taking into account the potential, opportunities, specialization, and other indicators of regions, is more relevant than ever [1].

Investments provide the necessary mechanism for financing the socio-economic development of the country. In 2025, the share of total investments in the gross domestic product (GDP) of the Republic of Uzbekistan amounted to 31.9%, and the volume of foreign investments attracted to the economy reached 43.1 billion US dollars [2].

It should be noted that relations in the field of investments and investment activities carried out by both foreign and domestic investors in Uzbekistan are regulated by legislation. In particular, the Law of the Republic of Uzbekistan "On Investments and Investment Activities" [3] has been adopted. According to this Law, concession activities, the conclusion, execution, and termination of production sharing agreements, regulation of investment, share and venture funds, the capital market, including operations with securities, public-private partnership, and legal relations in special economic zones are governed by separate laws.

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According to this Law [4], investments are defined as tangible and intangible assets, including rights to intellectual property objects, as well as reinvestments, invested by an investor on a risk basis for the purpose of obtaining profit in social, entrepreneurial, scientific, and other types of activities. *They may include:*

- funds, including monetary funds (including foreign currency), targeted bank deposits, shares, participatory interests, stocks, bonds, promissory notes, and other securities;
- movable and immovable property (buildings, structures, equipment, machinery, and other material assets);
- property rights related to intellectual property, including technical, technological, commercial, and other knowledge necessary for organizing a particular type of production, formalized as technical documentation, skills, and production experience, whether patented or unpatented (know-how), as well as other assets not prohibited by the legislation of the Republic of Uzbekistan.

The main principles of investments and investment activities include:

- legality;
- transparency and openness;
- freedom to carry out investment activities;
- fairness and equality of investment activity participants;
- non-discrimination against investors;
- presumption of good faith of investors [5].

In addition, the Law of the Republic of Uzbekistan “On Investment and Mutual Funds” [6] regulates relations in the field of investment and mutual fund activities in the country. According to this law, an investment fund is a joint-stock company that issues shares in order to attract investors' funds and invest them in investment assets. A mutual fund is a combination of monetary funds transferred by two or more persons (investors) for trust management in order to carry out investment activities.

According to the Explanatory Dictionary of Economic Terms, investment is understood as capital or funds invested by an investor to carry out any activity and obtain profit. Investments may be domestic (internal) or foreign (external). Financial investment includes the purchase of securities, accumulation of monetary funds, and other capital invested in material production [7].

In this regard, it is important to study foreign experience in formulating and implementing investment programs in developed countries and draw appropriate conclusions. In the economies of foreign countries, when developing regional investment policies, priority is given to attracting the attention of large enterprises and other business entities to a specific area through various incentives and benefits.

United States of America (USA).

The history of the country's investment policy dates back to the 19th century. Initially, it evolved from attracting foreign capital to becoming a global leader and forming major investment funds such as the “Big Three”: Vanguard, BlackRock, and State Street. In the country's investment policy, financing scientific-technical activities and research and development (R&D) plays a key role [8].

High economic competitiveness has been achieved through investments in scientific and technical activities, fundamental research, R&D projects, and the development of new technologies. For financing these programs, local authorities, private companies, charitable organizations, foundations, foreign companies, and universities have been involved on the basis of public-private partnerships. Policies regulating land resource use have been implemented, along with flexible fiscal and monetary policies, differentiated tariff rates, preferential loans, and the issuance of bonds for the development of specific

regions. Overall, in the USA, investment policy is characterized by freedom at all stages and minimal government intervention [9].

People's Republic of China (PRC).

The history of the country's investment policy dates back to the 1980s. Initially, special economic zones with preferential investment conditions were established in coastal regions. Later, China's investment policy shifted from a regional to a regional-sectoral approach [10].

As a result of the rational allocation of productive forces and institutional support, China has managed to enter the group of the world's five most powerful economies. Unlike many other countries, China's investment policy is characterized by a strict investment regime regarding the attraction of foreign direct investment. Foreign investments are directed to limited sectors and industries [11]. Therefore, determining the regional impact of external investments is considered an important issue in China's investment policy. Another distinctive feature is attracting investments for the construction of cross-border transit routes in order to strengthen economic relations with neighboring countries [12].

At the same time, China's strategic planning system plays a significant role in forming investment programs. Economic development is mainly implemented based on long-term strategies and five-year plans. In these plans, investment priorities are clearly defined in the fields of industry, agriculture, transport, energy, infrastructure, and high technologies. This allows the government to allocate investments purposefully across economic sectors.

Special attention has been given to the policy of establishing special economic zones. These zones have created favorable conditions for foreign investors, provided tax incentives, and promoted export-oriented production. Administrative procedures have been simplified, modern infrastructure has been developed, and a favorable business environment has been created. As a result, these regions have become industrial and technological centers and serve as one of the drivers of economic development.

Another important aspect of China's experience is effective cooperation between the public and private sectors. The state finances large infrastructure projects and ensures economic stability, while the private sector invests in production and services. This cooperation contributes to forming a competitive environment and increasing investment efficiency.

Infrastructure development is also one of the main directions of China's investment policy. Significant investments have been directed toward the construction of railways, highways, ports, airports, and logistics centers. Modern infrastructure has reduced production costs, accelerated the movement of goods and services, and strengthened links between domestic and international markets.

China has also pursued an active policy in attracting foreign investment. Tax incentives, land provision, infrastructure support, and joint venture opportunities have been created for foreign investors. These measures have encouraged international companies to invest in the country's economy and facilitated technology transfer [13].

Republic of Korea.

The Republic of Korea is one of the rapidly developed countries in the global economy and is considered a state that has achieved economic growth in a short period through effective investment policy implementation. Strategic formation of investment programs, their gradual implementation, and effective cooperation between the public and private sectors have played an important role in the country's economic success.

The history of Korea's investment policy dates back to the 1960s. Before that period, the country was one of the poorest agricultural economies in the world [14]. Similar to China, the establishment of special economic zones is one of the main tools of Korea's investment policy.

Today, four types of special economic zones operate in the country. Special attention is given to foreign investment in Korea's investment policy [15]. Another important direction is the development of innovation and high-tech industries. Significant investments have been directed toward electronics, automotive manufacturing, information technology, and biotechnology sectors. As a result, large multinational corporations such as Samsung and Hyundai Motor Company have emerged, contributing to enhancing the country's global competitiveness.

Moreover, a strict analysis and monitoring system is applied in the selection and implementation of investment projects. Projects are evaluated in terms of economic efficiency, social significance, and alignment with long-term development strategies. Cost-benefit analysis, economic modeling, and continuous monitoring ensure the effectiveness of investment programs.

United Arab Emirates (UAE).

The history of the country's investment policy dates back to the 1970s. During this period, the country transitioned from dependence on oil revenues to aggressive diversification and became a global investor and financial center (Mubadala). The UAE's regional investment policy has evolved through stages including the development of free economic zones, tourism, and real estate. In the future, greater attention is being given to artificial intelligence, logistics, and renewable energy sources [16].

Literature Review

The importance and role of investments in the socio-economic development of a country and in increasing its competitiveness occupy a significant place in the research of economists. In particular, the French economist Pierre Masse [17] stated that investment represents the capital required for future economic development, modernization, and meeting needs. In the theory of John Keynes [18], investment was studied at both macro and micro levels; he evaluated investments not as an isolated phenomenon, but in terms of their impact on overall economic development.

American economists Campbell McConnell and Stanley Brue [19], in their research, describe investments as the accumulation of production costs and means, as well as an increase in material expenditures. N. Petrakov [20] considers investments, on the one hand, as various types of financial and material assets aimed at increasing income, and on the other hand, as all types of property and intellectual values invested for the purpose of obtaining profit. I. Blank [21] defines investments as national and foreign capital invested in various sectors and industries of the economy for the purpose of generating profit.

National economist Sh. Nazarov believes that in regional development, investment, the effective organization and management of innovative processes, determining regional competitiveness, and the targeted use of available factors are of great importance.

Expanding the competitive advantages of regional producers based on new technologies, digitizing production, and developing long-term strategies for innovation implementation—while considering large-scale economic efficiency and cost reduction—should be combined with efforts to attract significant investments.

Methodology

Based on advanced foreign experience, existing resources, modern structures (such as technoparks, technopolises, research and innovation centers, etc.), as well as intellectual and technological potential, it is necessary to establish industrial zones and sectoral or territorial clusters in the regions. Their proper placement and the organization of high- and medium-technology production should be ensured.

In our view, investment is one of the main instruments of state economic policy and refers to capital directed toward the development of activities for specific purposes, profit generation, and income growth. The main objectives of forming regional investment programs include improving the welfare of the population, ensuring social stability,

creating new jobs, developing economic sectors and industries, improving infrastructure, increasing state revenues, and other related tasks.

When developing regional investment programs, it is advisable to consider the following:

- Human Development Index;
- The region's potential and specialization;
- Growth points and development drivers of the region;
- Analysis of the socio-economic development status;
- The level of resource processing in the region;
- The financial condition of the region;
- Availability of natural resources in the region.

Analysis and Results. The article presents the author's materials prepared based on data from the National Statistics Agency of the Republic of Uzbekistan regarding the importance of investments in stabilizing socio-economic processes in the Fergana region, as well as the current situation and certain perspectives that deserve attention in the future.

In order to ensure the socio-economic development of the Fergana region, further improve the investment and entrepreneurial environment, fully and effectively utilize untapped opportunities, enhance social and production infrastructure, and guarantee a decent standard of living and employment for the population, the Resolution of the President of the Republic of Uzbekistan No. PP-440 dated December 16, 2024, titled "On Measures for the Socio-Economic Development of the Fergana Region and Further Improvement of the Investment and Business Environment" was adopted.

According to this resolution, it is planned to launch investment projects worth a total of 6 billion US dollars, implement 1,200 investment projects, ensure employment for 497,000 people, and achieve exports worth 1.5 billion US dollars.

During 2020–2025, the volume of investments in fixed capital in the Fergana region increased by 2.9 times. *In particular:*

- In 2020 — 11,040.0 billion soums;
- In 2021 — 12,625.2 billion soums;
- In 2022 — 15,419.3 billion soums;
- In 2023 — 19,955.0 billion soums;
- In 2024 — 21,542.7 billion soums;
- In 2025 — 32,466.8 billion soums (Figure 1).

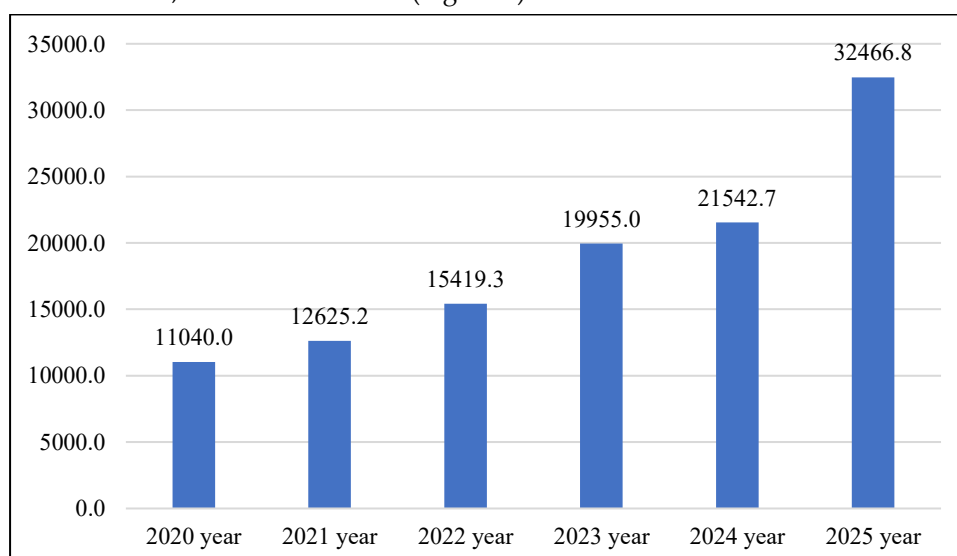


Figure 1. Dynamics of Investments in Fixed Capital in the Fergana Region during 2020–2025, billion sums.

Significant growth has also been achieved in the investment and foreign trade sectors of the Fergana region. In particular, 26 large-scale, 357 medium- and small-scale investment projects have been launched, and nearly 3 billion US dollars in foreign investments have been absorbed. The volume of exports has steadily increased, and the number of exporting enterprises has expanded. A new package of major projects with a total value of 8.2 billion US dollars has been formed.

During 2020–2025, the volume of investments in fixed capital per capita in the Fergana region increased by 2.6 times. *In particular:*

- In 2020 — 2,916.0 thousand soums;
- In 2021 — 3,272.3 thousand soums;
- In 2022 — 3,917.2 thousand soums;
- In 2023 — 4,965.3 thousand soums;
- In 2024 — 5,250.3 thousand soums;
- In 2025 — 7,759.9 thousand soums (Figure 2).

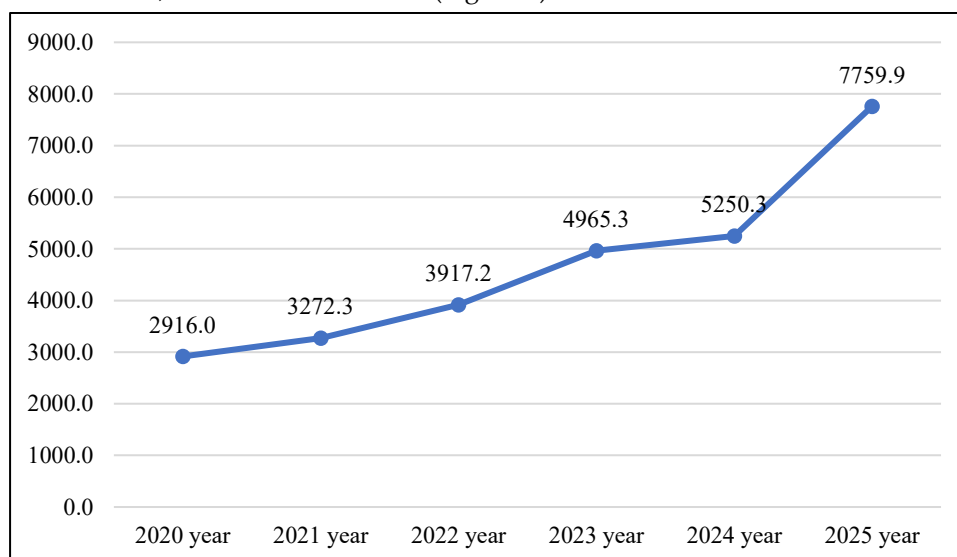


Figure 2. Dynamics of Per Capita Investments in Fixed Capital in the Fergana Region during 2020–2025, thousand sums.

During 2020–2025, the volume of investments absorbed in the Fergana region increased by 9.1 times. *In particular:*

- In 2020 — 322.3 million US dollars;
- In 2021 — 470.5 million US dollars;
- In 2022 — 957.4 million US dollars;
- In 2023 — 1,341.5 million US dollars;
- In 2024 — 1,781.0 million US dollars;
- In 2025 — 2,949.8 million US dollars (Figure 3).

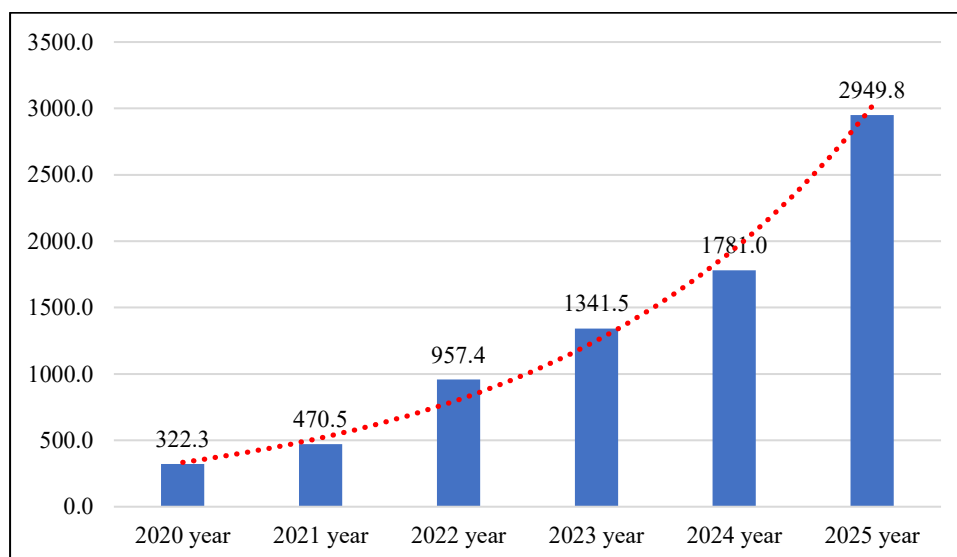


Figure 3. Dynamics of Foreign Investments Absorbed in the Fergana Region during 2020–2025, million US dollars.

The Resolution of the President of the Republic of Uzbekistan No. PP-61 dated February 13, 2026, titled *“On Measures for the Socio-Economic Development of the Fergana Region and Further Improvement of the Population’s Living Standards”* has been adopted. According to this resolution, it is planned to launch projects worth a total of 4.2 billion US dollars in 2026. Of this amount, 2.7 billion US dollars are allocated to industry, 210 million US dollars to agriculture, and 1.2 billion US dollars to the service and tourism sectors.

Conclusions and Recommendations

Based on the above-mentioned foreign experiences and considering the opportunities for implementing and applying investment policy at the regional level, the following recommendations are proposed:

1. When developing regional investment programs, it is necessary to determine priority investment directions based on a deep analysis of the economic potential of regional development, taking into account specialization, opportunities, and competitive advantages. Special attention should be paid to projects that create high added value in industry, agricultural processing, textile and food industries, and the service sector. In addition, priority should be given to scientific-technical research and development activities in these programs (U.S. experience).
2. Particular attention should be paid to strengthening interregional and intersectoral investment relations, as investment exchange creates opportunities for the development and diversification of economic sectors. Furthermore, the impact of external investments on the region should be studied (PRC experience).
3. In attracting investments, further development of special economic zones and industrial zones in the region is important. This includes the formation of modern engineering and communication infrastructure and continuing efforts to improve and support the activities of special economic zones (experience of the PRC and the Republic of Korea).
4. Diversification of sectors and industries receiving investments (UAE experience).
5. Improvement of the system for forming and implementing strategically important investment programs, taking into account interregional and intersectoral relations. In this regard, it is essential to increase production efficiency in the region through the introduction of innovative technologies and the widespread application of digital economy elements. Strengthening cooperation between research institutions, higher education institutions, and production enterprises is also important.

6. Taking measures to implement positive practices of foreign experience in the country.
7. Further improvement of the regulatory and legal framework to enhance the investment climate in attracting foreign investments, simplification of administrative procedures, and development of an information and analytical support system for investors. In addition, the development of a “one-stop-shop” service system based on the principle of single-window service in implementing investment projects is necessary.
8. Improving the system of training qualified personnel for the implementation of investment projects in regional development and implementing programs aimed at increasing the entrepreneurial activity of the population are of great importance. Furthermore, expanding investments in human capital, scientific research, and innovation.

Assessing the activities of economic zones and, based on the results, taking measures for their support and expansion.

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