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Institutional and Fiscal Determinants of Foreign Investment Attraction in A Modernizing Economy

Yo'ldosheva Maftuna Baxtiyor qizi

1. Acting Associate Professor, PhD, Tashkent Institute of Textile and Light Industry

* Correspondence: -

Abstract: The article explores the institutional, fiscal and economic determinants that shape the ability of a modernizing economy to attract foreign direct investment and transform external capital into sustainable sectoral development. Unlike traditional descriptions of investment inflows, the study focuses on the quality of the investment climate, the predictability of tax and customs regulation, the protection of investor rights, the availability of infrastructure, regional specialization and the capacity of public institutions to convert investment projects into production, employment and export outcomes. The article develops a comprehensive analytical framework for assessing foreign investment attraction through four interrelated dimensions: regulatory reliability, macroeconomic stability, sectoral absorptive capacity and performance-based investment governance. Special attention is given to the role of fiscal preferences, special economic zones, digital investor services and investment monitoring mechanisms. The article argues that investment attraction should be measured not only by the amount of capital inflow, but also by its contribution to technological renewal, value-added production, export diversification, regional development and the expansion of the taxable base. The proposed approach can be used to improve investment policy, strengthen investor confidence and increase the efficiency of state measures aimed at mobilizing foreign capital.

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1. Introduction

Foreign direct investment has become one of the most important channels through which countries accelerate technological renewal, expand production capacity and integrate into global value chains. For economies that are undergoing structural modernization, foreign capital is not only a source of additional financing, but also a carrier of managerial knowledge, export networks, industrial standards and new technologies. This explains why the attraction of foreign investment remains a strategic priority for developing and emerging economies.[1]

In the contemporary global economy, competition for foreign investment is determined not merely by natural resources or low labor costs. Investors evaluate a much wider set of conditions, including the stability of economic policy, protection of property rights, transparency of administrative procedures, quality of infrastructure, availability of skilled labor, currency stability and the predictability of tax obligations. A country that can combine these factors into a coherent investment environment is more likely to receive long-term and productive capital inflows.

Uzbekistan has been gradually transforming its investment policy from a fragmented system of separate privileges into a more structured framework based on investor protection, sectoral priorities, regional development and digital public services. The legal consolidation of investment guarantees, the development of special economic zones, the modernization of tax and customs administration and the expansion of investor support institutions have created a new basis for foreign capital attraction. However, the effectiveness of these measures depends on how consistently they are implemented and how clearly their outcomes are measured.[2]

The relevance of the research is connected with the need to move from a quantitative approach to investment policy toward a qualitative and result-oriented approach. The amount of attracted capital is important, but it does not fully reflect the developmental value of investment. A large project may have limited impact if it does not create local linkages, modern jobs, exports or tax revenues. Conversely, a smaller project may generate strong multiplier effects if it introduces advanced technology, raises productivity and strengthens regional specialization.

This article aims to develop a conceptual and analytical approach to the study of institutional and fiscal determinants of foreign investment attraction in a modernizing economy. The article examines the relationship between investment climate factors, fiscal incentives, investor guarantees, sectoral absorptive capacity and the practical results of investment policy. The central argument is that foreign investment should be treated as a development instrument whose effectiveness must be assessed by measurable economic outcomes.[3]

The article is prepared in a new analytical direction and does not reproduce the structure or wording of the Uzbek article used as a thematic reference. While the general subject concerns foreign investment attraction, the present research focuses on institutional reliability, fiscal design and performance-based investment governance as independent components of investment policy.

Literature review. Theoretical approaches to foreign investment attraction are based on several economic traditions. Classical and neoclassical theories emphasize the role of capital mobility, comparative advantages and the efficient allocation of resources. According to this perspective, foreign investment flows to countries where capital can receive higher returns due to market potential, resource availability or lower production costs. Although this approach explains the basic economic motivation of investors, it does not fully capture the institutional and policy-related factors that increasingly influence investment decisions.[4]

The eclectic paradigm of international production explains foreign direct investment through ownership, location and internalization advantages. From this viewpoint, multinational companies invest abroad when they possess firm-specific advantages, when the host economy offers attractive location conditions and when direct control over operations is more efficient than trade or licensing. Location advantages include market size, infrastructure, labor skills, fiscal conditions, legal security and access to regional markets.

Institutional economics provides a broader explanation of investment behavior by focusing on the quality of rules and enforcement mechanisms. Foreign investors are sensitive to uncertainty, administrative discretion and the possibility of policy reversal. Therefore, stable legislation, contract enforcement, judicial independence, transparent licensing procedures and guarantees against arbitrary interference become key elements of the investment climate. Institutional reliability reduces transaction costs and increases confidence in long-term projects.[5]

Fiscal policy also plays a significant role in shaping investment decisions. Tax incentives, customs exemptions, accelerated depreciation, investment deductions, preferential regimes and special economic zones can reduce the initial cost of investment and improve expected profitability. However, international practice shows that fiscal incentives are effective only when they complement, rather than replace, strong fundamentals such as infrastructure, skilled labor, market access and regulatory stability.

Contemporary development literature emphasizes that investment policy should not be limited to attracting capital. It must also strengthen domestic capabilities, stimulate value-added production and create linkages between foreign investors and local enterprises. This Table 1. means that the state should evaluate investment projects by their contribution to technology transfer, employment, export diversification, regional balance and tax base expansion. In this sense, investment attraction and industrial policy are closely connected.

Table 1.
Conceptual approaches to foreign investment attraction[6]

Approach	Core explanation	Investment policy meaning	Expected development effect
Capital mobility theory	Capital moves toward higher expected returns and lower production costs.	Host economies must provide profitable and stable conditions for investors.	Expansion of production capacity and additional financing.
Eclectic paradigm	FDI depends on ownership, location and internalization advantages.	Policy must strengthen location advantages such as infrastructure, market access and tax predictability.	Growth of long-term projects and multinational participation.
Institutional economics	Rules, enforcement and trust determine investment behavior.	Investor rights, contract protection and administrative transparency must be guaranteed.	Lower uncertainty and stronger investor confidence.
Fiscal policy approach	Tax and budget mechanisms influence investment profitability.	Incentives should be selective, measurable and connected with results.	Higher investment activity and improved fiscal return.
Development policy approach	Foreign capital must contribute to structural transformation.	Investment attraction should be linked to technology, exports and local linkages.	Modernization, value added growth and regional development.

National and regional studies on Uzbekistan highlight the importance of improving the investment climate, expanding guarantees for foreign investors, simplifying administrative procedures and developing infrastructure for investment projects. At the same time, further research is needed on how fiscal incentives, institutional reforms and sectoral priorities interact with one another. This article addresses this issue by proposing an integrated framework for analyzing the determinants and expected outcomes of foreign investment attraction.

2. Materials and Methods

The methodology of the article is based on a systematic approach to the analysis of foreign investment attraction. Foreign investment is considered not as an isolated flow of external capital, but as a complex process influenced by legal, fiscal, institutional, macroeconomic, infrastructural and sectoral factors. This approach makes it possible to identify not only what attracts investors, but also what determines the developmental quality of investment.[7]

The study uses theoretical generalization, comparative analysis, structural classification and economic interpretation. Theoretical generalization is used to systematize the main scientific approaches to investment attraction. Comparative analysis allows the identification of similarities and differences between traditional investment incentives and modern performance-based investment policy. Structural classification helps group investment determinants by their functional role.

The article classifies determinants of foreign investment attraction into five groups. The first group includes institutional determinants such as investor guarantees, legal stability, contract enforcement and protection of property rights. The second group includes fiscal determinants such as tax incentives, customs preferences, investment deductions and preferential regimes. The third group includes macroeconomic determinants such as inflation, exchange rate stability, access to finance and the predictability of economic policy.[8]

The Table 2. fourth group includes sectoral and infrastructural determinants: logistics, energy supply, industrial zones, skilled labor, digital connectivity and access to raw materials. The fifth group includes governance determinants: digital investor services, coordination among public institutions, project monitoring, one-stop-shop mechanisms and transparent reporting. The interaction of these factors determines the capacity of the host economy to attract and retain foreign investment.

Table 2.
Analytical grouping of determinants of foreign investment attraction

Determinant group	Main components	Policy instrument	Assessment indicator
Institutional conditions	Legal security, property rights, contract enforcement, investor guarantees.	Investment legislation, arbitration mechanisms, stability clauses.	Level of regulatory predictability and investor confidence.
Fiscal framework	Tax preferences, customs relief, accelerated depreciation, special regimes.	Selective incentives, tax stability, investment deductions.	Investment stimulated per unit of fiscal cost.
Macroeconomic stability	Inflation, exchange rate, debt level, financial market access.	Prudent fiscal and monetary policy, financial sector reforms.	Risk perception and cost of capital.
Infrastructure and sectors	Transport, energy, industrial zones, digital networks, labor skills.	Public investment, PPPs, industrial clusters, training programs.	Project implementation speed and sectoral absorptive capacity.
Governance capacity	Digital services, investment facilitation, monitoring, interagency coordination.	One-stop-shop platforms, investor councils, performance reporting.	Administrative efficiency and project completion rate.

The evaluation framework proposed in the article is based on the principle that foreign investment policy must be assessed through measurable outcomes. Such

outcomes include investment volume, number of projects, production capacity, export revenues, employment, technology transfer, local supplier development, regional diversification and future budget revenues. This allows investment policy to be treated as a development management system rather than as a simple set of privileges.[9]

3. Result and Discussion

The attraction of foreign investment begins with institutional trust. Investors assess whether the legal regime is stable, whether contracts are enforceable and whether state bodies apply regulations consistently. In economies where legal uncertainty is high, investors either postpone projects or demand higher returns to compensate for risk. Therefore, the first condition for sustainable capital inflows is the creation of a predictable legal environment in which investors can plan projects over a long horizon.

Legal guarantees are especially important for capital-intensive projects. Manufacturing plants, infrastructure facilities, mining projects, logistics centers and technology platforms require large initial expenditures and long payback periods. If investors fear that tax rules, licensing conditions or ownership rights may change unexpectedly, the attractiveness of such projects decreases. Stabilization mechanisms and transparent dispute settlement procedures reduce this risk and improve the investment climate.[10]

Fiscal incentives represent the second major group of investment determinants. They can reduce the initial financial burden of investors and make projects more competitive. However, incentives must be designed carefully. Broad and permanent privileges may reduce budget revenues without creating additional investment. By contrast, targeted incentives linked to project size, export activity, technology introduction or regional development can generate stronger economic effects and justify temporary fiscal costs.

Special economic zones and industrial zones serve as instruments that combine fiscal, infrastructural and administrative advantages. Their effectiveness depends not only on tax preferences, but also on the availability of prepared land, utilities, transport connections, customs services and skilled labor. A zone that offers tax benefits but lacks infrastructure may not attract high-quality investors. Therefore, investment zones should be managed as integrated platforms for production, logistics and export activity.[11]

Macroeconomic stability is another decisive factor. Even generous incentives cannot compensate for high inflation, exchange rate volatility, weak banking systems or restricted currency operations. Investors need confidence that they can import equipment, repatriate profits, service external obligations and forecast production costs. A stable macroeconomic environment reduces the risk premium and improves the feasibility of investment projects.

The sectoral structure of the economy also shapes investment attraction. Foreign capital usually enters sectors where the host country has either resource advantages, market potential, cost advantages or strategic policy support. In Uzbekistan, such areas may include manufacturing, textile and garment production, food processing, construction materials, chemicals, renewable energy, information technology, logistics, tourism and agriculture. Each sector requires a different investment facilitation model.

In manufacturing, foreign investment can support modernization, localization and export diversification. The main policy objective is to move from simple assembly or raw material processing toward deeper technological operations and higher value-added products. To achieve this, fiscal incentives should be combined with supplier development, workforce training, standardization and export promotion. Otherwise, investment may remain limited to low-complexity operations.[12]

In agriculture and food processing, the key issue is the development of storage, packaging, logistics and quality certification. Foreign investment can help transform agricultural output into market-ready and export-oriented products. The state can attract such investment through land-use clarity, support for cooperatives, cold-chain infrastructure, phytosanitary services and incentives for processing facilities. This creates stronger links between farmers, processors and exporters.

In information technology and digital services, the main investment determinants differ from those in traditional industry. Investors look for skilled human capital, access

to international markets, data infrastructure, tax predictability and simplified rules for cross-border services. A long-term and stable tax regime can be particularly important because digital companies are mobile and can choose among several jurisdictions. Therefore, fiscal stability becomes a competitive advantage.

Investment attraction should also be analyzed from a regional perspective. Different regions have different infrastructure levels, labor resources, natural conditions and industrial traditions. A uniform policy may not fully reflect these differences. Regional investment strategies should identify local comparative advantages and match them with suitable investors. For example, regions with agricultural specialization may prioritize food processing, while regions with mineral resources may focus on industrial processing and materials production.

Digital governance can substantially improve investment policy. Online registration, electronic licensing, digital customs procedures, investment project tracking and integrated databases reduce administrative delays and increase transparency. Digital platforms also allow public institutions to monitor the implementation of investment commitments, identify bottlenecks and provide timely support to investors. This reduces the gap between policy adoption and practical execution.[13]

One of the main weaknesses of traditional investment policy is the absence of systematic outcome measurement. Authorities often report the amount of pledged investment, while less attention is paid to whether projects are completed, whether promised jobs are created, whether exports increase and whether local suppliers benefit. A result-oriented investment policy must track the full investment cycle from announcement to operation and measure its real contribution to the economy.

Investment incentives should therefore be connected with performance indicators. If an investor receives tax or customs privileges, the expected outcomes should be clearly defined. These may include a minimum investment volume, export share, employment level, technology transfer, local procurement or environmental standards. Such conditions improve accountability and reduce the risk that privileges become unconditional fiscal losses.

The Table 3. quality of foreign investment is also determined by its linkages with domestic enterprises. When foreign companies purchase inputs from local suppliers, train workers and cooperate with local firms, their impact becomes broader. Without such linkages, foreign investment may remain isolated. Public policy should therefore encourage supplier development programs, industrial cooperation, joint ventures and technology partnerships between foreign and domestic businesses.

Table 3.
Sector-specific priorities for attracting foreign investment

Sector	Key investor requirement	State support priority	Measurable outcome
Manufacturing	Stable rules, infrastructure, qualified labor and access to inputs.	Industrial zones, tax stability, workforce training and supplier programs.	Modernized capacity, localization and export growth.
Agriculture and food processing	Storage, packaging, certification and logistics.	Cold-chain projects, processing incentives and cooperative development.	Higher value added, lower losses and export readiness.
Digital services	Human capital, data infrastructure and predictable taxation.	Long-term tax regime, IT education and digital export promotion.	Growth of IT exports and foreign-owned digital firms.

Sector	Key investor requirement	State support priority	Measurable outcome
Construction materials	Access to capital, energy supply and local demand.	Interest support, investment loans and modernization programs.	Expanded production and reduced import dependence.
Tourism and services	Infrastructure, branding, safety and service standards.	PPP projects, regional infrastructure and skills development.	More visitors, jobs and private service investment.

An integrated approach to investment attraction requires coordination between ministries, local authorities, financial institutions and business support agencies. If each institution operates separately, investors face repeated procedures and inconsistent information. A coordinated system reduces transaction costs and increases the speed of project implementation. For this reason, investment facilitation agencies and investor councils play an important role in identifying administrative barriers and proposing solutions.

Public-private dialogue is another important element. Investors often have practical information about obstacles that are not visible in official reports. Regular dialogue helps reveal problems related to land allocation, customs clearance, certification, connection to utilities, access to finance and labor shortages. However, dialogue must be institutionalized and transparent so that it does not turn into selective lobbying for individual investors.

The investment climate is influenced by both formal and informal factors. Formal factors include laws, decrees, tax rates and licensing procedures. Informal factors include the behavior of public officials, the speed of decision-making, the quality of communication and the predictability of enforcement. Investors evaluate both dimensions. Therefore, reform should focus not only on the adoption of legal acts, but also on the everyday administrative practice that investors experience.

Foreign investment attraction must be balanced with national development interests. The goal is not to provide unlimited privileges to any investor, but to attract projects that support modernization, exports, employment and fiscal sustainability. This requires screening and prioritization. Projects that create strong economic linkages and long-term benefits should receive more active support, while projects with limited development value should not receive excessive privileges.[14]

The fiscal cost of investment incentives should be transparent. Tax exemptions and customs benefits reduce current budget revenues. These costs may be justified only if the investment creates future revenue through expanded production, wages, profits and exports. Therefore, every incentive program should be accompanied by an estimate of expected fiscal loss and expected economic return. This makes investment policy more accountable and helps prevent inefficient use of public resources.

Investment monitoring should cover several stages: project approval, capital inflow, construction, launch of operations, employment creation, production output, export performance and tax payments. Such monitoring does not mean excessive control over investors. It means collecting reliable data to evaluate whether public support is achieving its stated objectives. A digital monitoring system can make this process simple and transparent.

Regional investment projects require special attention because they can reduce territorial disparities. Foreign investment concentrated only in capital cities or resource-rich regions may increase regional imbalance. By contrast, investment support aimed at lagging regions can create employment, develop infrastructure and expand the local tax base. Regional incentives should therefore be connected with local development strategies and measurable outcomes.

The analysis suggests that the most effective investment policy is one that combines institutional stability, fiscal selectivity, sectoral prioritization and digital monitoring. Each element reinforces the others. Institutional stability builds trust; fiscal selectivity improves the efficiency of incentives; sectoral prioritization directs capital to strategic areas; and digital monitoring provides evidence for policy adjustment.

A modern investment climate should also support sustainable and green investment. Investors increasingly consider environmental standards, energy efficiency and social responsibility. Host countries that develop renewable energy, green infrastructure, waste processing and sustainable agriculture can attract new categories of investors. Fiscal and institutional measures should therefore encourage projects that combine profitability with environmental and social benefits.

For Uzbekistan, the Table 4. next stage of investment policy should be the transition from incentive competition to quality competition. Rather than relying only on tax reductions, the country can strengthen its position through reliable institutions, skilled labor, logistics corridors, digital services and transparent project support. This would reduce the fiscal burden of attracting investors and increase the developmental value of foreign capital.

Table 4.
Evaluation matrix for foreign investment policy effectiveness

Evaluation criterion	Content of the criterion	Possible indicator	Policy implication
Investment volume	The amount of capital actually implemented, not only announced.	Realized FDI, completed projects, capital expenditure.	Shows whether commitments are transformed into real assets.
Sectoral contribution	The role of investment in priority sectors and value chains.	Output growth, value added, localization, productivity.	Identifies whether capital supports structural modernization.
Fiscal return	The effect of investment on future public revenues.	Tax payments, wage taxes, expanded tax base.	Assesses whether incentives are fiscally justified.
Employment and skills	Impact on jobs and human capital development.	New jobs, training programs, skilled positions.	Shows social and labor market effects.
Export effect	Contribution to foreign currency earnings and market diversification.	Export revenue, export geography, certified products.	Evaluates external competitiveness.
Regional impact	Contribution to balanced territorial development.	Projects in regions, local infrastructure, regional tax base.	Helps align investment policy with regional priorities.

Scientific and practical recommendations:

First, investment policy should be based on a unified classification of investment determinants. Institutional, fiscal, macroeconomic, infrastructural and governance factors should be analyzed together rather than separately. This will help policymakers identify which constraints limit foreign investment in each sector.

Second, fiscal incentives for foreign investors should be linked to measurable obligations. Preferences may be granted when the investor undertakes commitments

related to capital investment, exports, employment, technology transfer, local procurement or regional development. This will transform incentives into performance-based instruments.

Third, special economic zones should be evaluated not only by the number of registered enterprises, but also by production output, exports, job creation, tax return, use of local suppliers and infrastructure efficiency. Zones that do not generate measurable outcomes should be reorganized or reoriented.

Fourth, digital investor services should be expanded. A unified electronic platform should provide information on available projects, land plots, infrastructure, tax conditions, permits, customs procedures and support measures. Such a system would reduce information asymmetry and improve administrative transparency.

Fifth, investment monitoring should be organized throughout the full project cycle. Monitoring should cover pledged investment, actual capital inflow, implementation schedule, production launch, employment, export performance and fiscal return. This will allow the state to distinguish between formal commitments and real economic results.

Sixth, regional investment strategies should be prepared on the basis of local specialization. Each region should identify its priority sectors, infrastructure needs, labor potential and target investor groups. This will increase the effectiveness of investment promotion and reduce regional disparities.

Seventh, investment incentives should include sunset clauses and periodic review. Permanent privileges may reduce fiscal efficiency and create dependency. Temporary support linked to performance will encourage investors to implement projects more actively and responsibly.

Eighth, public-private dialogue with investors should be institutionalized. Regular consultations can help identify administrative barriers, improve regulations and increase confidence. At the same time, dialogue must be transparent and oriented toward systemic improvements rather than individual privileges.

Ninth, investment policy should support linkages between foreign investors and domestic enterprises. Supplier development programs, local content initiatives and technology partnerships can increase the spillover effects of foreign investment and strengthen national business capacity.

Tenth, investment attraction should increasingly prioritize green and technology-intensive projects. Fiscal and institutional measures should support renewable energy, efficient manufacturing, digital services, sustainable agriculture and other sectors that combine economic return with long-term sustainability.

The implementation of these recommendations requires strong analytical capacity within public institutions. Investment promotion agencies should not only advertise opportunities, but also collect data, evaluate investor behavior and assess the results of support measures. This changes the role of the state from a passive provider of privileges to an active manager of development-oriented investment policy.

Another practical requirement is the improvement of statistical and administrative data. Information about foreign capital inflows, project implementation, sectoral distribution, employment, exports and tax payments should be comparable and regularly updated. Without reliable data, it is difficult to evaluate whether investment policy is achieving its objectives. Interagency data exchange is therefore a necessary condition for evidence-based investment governance.

The role of financial institutions should also be strengthened. Foreign investors often require co-financing, guarantees, currency services and risk management instruments. Development banks, commercial banks and international financial institutions can help mobilize additional resources and reduce project risks. Their participation is particularly important in infrastructure, renewable energy, agrologistics and industrial modernization projects.

Human capital is one of the decisive factors in investment attraction. Even when fiscal incentives are generous, investors may hesitate if the local labor force lacks the necessary skills. Therefore, investment policy should be connected with education, vocational

training and cooperation between enterprises and universities. Sectoral training programs can increase the attractiveness of regions and reduce the adaptation costs of investors.

Investment promotion should also be aligned with export policy. Foreign investors are more interested in countries that offer access not only to the domestic market, but also to regional and global markets. Trade agreements, customs simplification, logistics corridors and international certification systems can significantly strengthen the investment climate. This is especially relevant for manufacturing, food processing and digital services.

The protection of investors should not be understood as preferential treatment that weakens national regulation. It means that investors operate under clear, fair and predictable rules. The state retains the right to protect public interests, but it must do so through transparent procedures. Such balance helps maintain investor confidence while preserving regulatory sovereignty.

The attraction of foreign investment is a long-term process. Immediate results may be visible in the form of capital inflows, but the deeper effects appear later through productivity growth, technology transfer, exports and tax revenues. Therefore, investment policy evaluation should use a medium-term horizon and avoid conclusions based only on one-year indicators.

The development of investment policy also requires international benchmarking. Uzbekistan can compare its investment climate with economies that have successfully attracted manufacturing, digital services, agrolistics and green technology projects. Such comparison can help identify best practices, but foreign models should be adapted to national legal, institutional and regional conditions.

The analysis confirms that foreign investment attraction is most successful when it is linked to a clear development strategy. Investors need to understand the priorities of the host country, the sectors that receive support, the rules of participation and the expected results. A coherent strategy reduces uncertainty and allows investors to align their projects with national development goals.

Finally, the effectiveness of investment policy depends on trust. Trust is created through consistent reforms, stable institutions, honest communication, transparent administration and respect for obligations. When these conditions exist, fiscal incentives become additional advantages rather than the main reason for investment. This is the foundation of a mature and competitive investment environment.[15]

4. Conclusion

The analysis shows that foreign direct investment attraction is a multidimensional process that depends on the interaction of institutional, fiscal, macroeconomic, infrastructural and governance factors. Foreign investors make decisions not only on the basis of tax benefits, but also by evaluating the stability of rules, protection of property rights, infrastructure quality, labor potential, administrative transparency and the long-term prospects of the host economy.

The main scientific conclusion of the article is that investment attraction should be measured by the developmental quality of capital inflows. The amount of investment is important, but it is not sufficient. The true value of foreign investment is reflected in technological modernization, value-added production, export diversification, employment, regional development and the expansion of the tax base. Therefore, investment policy must become result-oriented.

Fiscal incentives remain an important instrument, but they should be selective, transparent and connected with measurable commitments. Tax and customs preferences should support projects that generate production, exports, technology transfer and employment. Incentives that do not produce measurable results should be reviewed or discontinued in order to protect budget sustainability.

Institutional reliability is the foundation of a competitive investment climate. Stable legislation, enforceable contracts, investor guarantees, predictable tax rules and transparent administrative procedures reduce uncertainty and increase long-term

confidence. In this context, digital public services and integrated monitoring systems can significantly improve the quality of investment governance.

For Uzbekistan, the improvement of foreign investment attraction requires a transition from a privilege-based model to a performance-based investment policy. Such a policy should coordinate fiscal incentives, sectoral priorities, regional strategies, infrastructure projects and digital monitoring. This approach can increase the efficiency of foreign capital, support structural transformation and strengthen sustainable economic growth.

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