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DEVELOPMENT TENDENCIES OF FREE ECONOMIC ZONES IN IMPROVING THE INVESTMENT ENVIRONMENT IN FOREIGN COUNTRIES

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Abstract.

In this article, the global economic activity, the organization of Free Economic Zones and their activities are of particular importance, and the global experience of Free Economic Zones is reflected, the issues of development of the investment environment in Free Economic Zones, the indicators of the investment environment on the example of Free Economic Zones operating in Uzbekistan are analyzed. . In addition, conclusions focused on the development trends of free economic zones have been formed.

Key words: free economic zones, favorable investment environment, attractiveness of investment environment, currency devaluation, national economy, cluster, cooperation, logistics services

INTRODUCTION

Comprehensive study of world experiences, wide application of all progressive works gathered in the world experience of conducting economic reforms is the first way to renew social and economic development.

We must emphasize that the organization of free economic zones and their activities are of special importance. The world experience of free economic zones shows that such territorial determinations have a high economic effect for the country that created the zone and play a big role in solving many problems of the region. The history of the development of free economic zones dates back to the distant past, they were formed in the form of free trade ports, open cities, duty-free zones in Western Europe, Great Britain, and Germany at the beginning of the 19th century.

Currently, there are about 25 functional models of free economic zones, which are operating in countries with different levels of economic development.

SEZs exist not only in the territory of developing countries, but also in industrialized countries, newly industrialized countries, and countries in the period of transition economy, and the proper use of their rich experience has met the requirements of the modern era. Usually, there are three models of such zones in the territory, i.e. 1) Free trade zones; 2) industrial zones; 3) development of technological zones is envisaged. In our republic, all conditions have been created for economic activity in free cooperation. For foreign investors, legal rules and regulations adopted in international practice, arising from the priority of human rights and freedoms, have been created.

Establishing the most optimal models of SEZs in cooperation with foreign investors, on the one hand, will positively and effectively affect the stable socio-economic development of our Republic, and on the other hand, it will raise its position in the international distribution of cocktails. Such cooperation is based on a fundamental characteristic of the world economy, that is, the process of internationalization. The

formation of these relations is the main criterion of the globalization of world economic processes.

LITERATURE REVIEW

The formation and development of stable, production, trade economic relations between countries with different levels of development is one of the important elements of the mechanism of the market economy. Therefore, the implementation of the adopted laws, the development of technical and economic development programs and projects for the establishment of Free Economic Zones require in-depth research from our scientific staff.

Theoretically, it is possible to develop a concept for the development of SEZs of different functional nature for Uzbekistan. Free trade zones are established on the borders of the Great Silk Road, neighboring Commonwealth countries, and free export-oriented industrial production zones are established in territories rich in natural, underground resources, labor resources, network scientific inspection institutes, project design bureaus, and research centers in cooperation with family educational institutions. organization has high economic and social benefits.

The main problem in the production of such projects and concepts is the lack of the same main (criterion) indicators for the establishment of SEZ, while there is a struggle and competition for investments in the world of investment. The objectives of SEZ creation and development can be divided into three groups.

It is 1) economic; 2) social; 3) scientific and technical purposes. Based on these goals, it is necessary to develop certain models of SEZs aimed at the implementation of various goals in certain territories of the republic.

The world experience of organizing free economic zones allows us to draw certain conclusions about their general achievements, common characteristics and specific aspects of their development. Free Economic Zones in industrialized countries depend on well-planned and flexible management.

The organization of these regions is very useful from a socio-economic point of view, and plays a major role in creating many jobs, revitalizing international trade, improving the results of foreign trade relations, and increasing scientific and production potential.

Free economic zones in developing countries also have a number of similarities.

First, export-production regions (EPZ) are widespread in these countries. As mentioned above, a number of economic reasons, first of all, the development of the production of industrial goods for export, the need to attract foreign capital, advanced science and technology, and modern technical information to the country, are the motivations for the establishment of the EEC.

Secondly, the business regime in Free Economic Zones will be Freer and more favorable for foreign businessmen. This is due to increasing international competition among Free Economic Zones.

Thirdly, during the operation of the Free Economic Zones, the product-industrial diversification of their activity takes place. Modern ITI brings the Free Economic Zones,

where the demand and production of knowledge related to the development of new and high technology are concentrated.

As we envisage the future economic development of our country in a broader way, today the changing world market situation, the increasing competition in the conditions of global economic globalization and integration require the development and implementation of a completely new approach and principles for the more stable and rapid development of Uzbekistan.

The establishment of free zones is a new step towards the implementation of the policy of making regional development more optimal, placing highly efficient productions directed to foreign markets, and introducing modern systems of logistics and transport infrastructure. Our task is to strictly implement our model of development and renewal, relying on accumulated experience and advanced international practices. We will continue to fully support their development."

In these processes, "The issues of modernization of networks and regions, increasing their level of competitiveness, development of export potential should be in the center of our constant attention. For this, it will be necessary to actively attract foreign investments and advanced technologies and information and communication systems to all sectors. It is on this basis that by 2030 we need to increase the gross domestic product of our country by more than 2 times, and in this way, the wide use of foreign experiences in the establishment of the Free Economic Zone and the improvement of their activities is important.

However, in the establishment of any Free Economic Zone, its focus on openness, expansion of global economic relations, attraction of foreign and local investors, optimization of existing forms and methods of state regulation, reform based on the requirements of the times, development of a complex of production infrastructure networks in them are among the urgent tasks before the country. remains one.

The rich experience of special economic zones accumulated around the world shows that the mechanism of these zones is one of the most effective means of innovative development of the state and implementation of investment and budget policy.

For this purpose, it is appropriate to study the experience of the Russian Federation and apply it in the development of the Free Economic Zones operating in our country.

Special economic zones in the Russian Federation were created for the development of production industries, high-tech areas of economic development, tourism and recreation, port and transport infrastructure, development of technologies and commercialization of their results, production of new types of products. All types of special economic zones will be established for a period of 49 years.

ANALYSIS AND RESUTLS

In order to establish Free Economic Zones in the Russian Federation and regulate their activities, to clearly define the benefits provided for them, the legislation in this field has been improved.

Based on initial experiences, today a very broad system of privileges applies to Free Economic Zones:

- exempt from land tax;
- used vehicles are exempt from tax from the time of registration;
- income tax is 0% for the Federal budget and no more than 13.5% of the total tax rate for the local budget;
- if residents (non-residents) and enterprises are managers of special economic zones, they are exempted from property tax for 10 years;
- rates of insurance premiums for technopolises, touristic special economic zones, technical-production technoparks are constantly being reduced (14% from 2012-2017, 21% from 2018, 28% from 2019).

If income tax has been paid to the Federal budget since 01.01.2012, this rate will be set at 0% from now on.

In addition, a system of special privileges is being implemented for some of the established Free Economic Zones.

For example, if the income tax for the "Kalingrad" special economic zone was 0% for the first 6 years, then from the 7th to the 12th year, the tax levied on the income for "implementing investment projects" will be reduced to 50%.

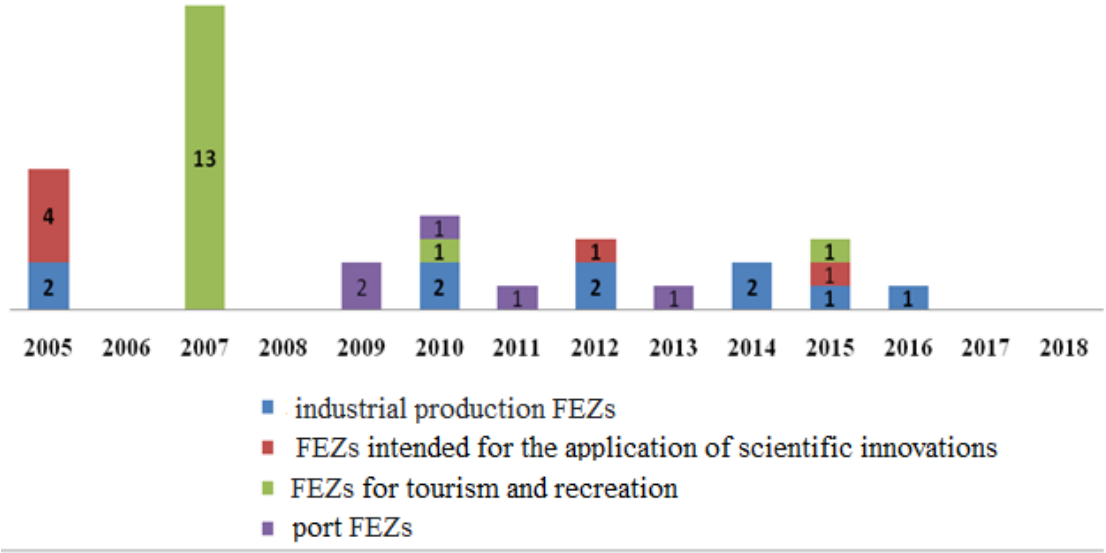


Figure 1. Special economic zones established in the Russian Federation

Of the total number of created special economic zones, 11 have been suspended until now. The main reason for this is that no single investment agreement has been concluded in all of them for three years, they were suspended according to the laws of the Russian Federation, and 8 of the 11 suspended areas are intended for tourism and recreation (as part of the North Caucasus tourist cluster), 2 are port special economic zones, and 1 is for industrial production. established special economic zones.

The main competitive advantage of special economic zones is a significant reduction (up to 30%) of the initial costs of the investor for the implementation of investment projects, the availability of a new ready-made modern infrastructure for this, and, of course, the availability of tax, customs and other benefits.

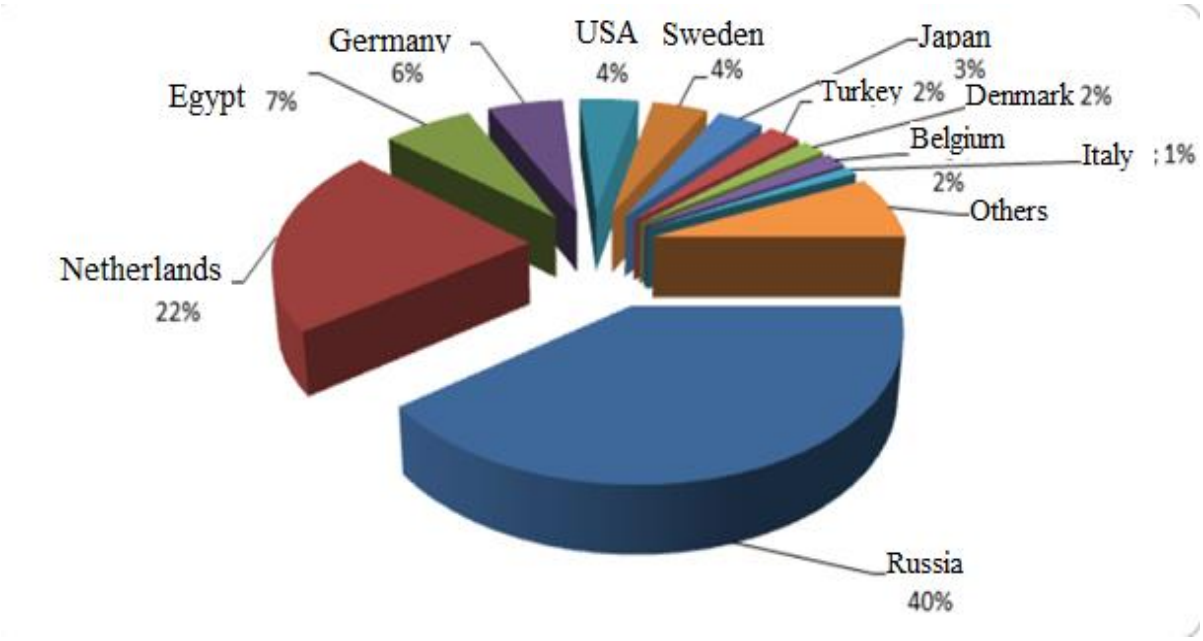


Figure 2. As of January 1, 2018, the composition of total private investments in the Special Economic Zones of the Russian Federation by investors from the countries of the world, billion rubles

As of January 1, 2018, 656 residents, including 125 foreign investors, participated in MIXs established and operating on the basis of Decree No. 116 dated July 22, 2005. In general, investments from 38 countries of the world have been made to MIZs of the Russian Federation. Total private investments amounted to 292.1 billion rubles, foreign private investments amounted to 174.8 billion rubles. A total of 28,400 new jobs were created, 1,25 GW of electric power was put into use, the total income of residents amounted to 524,3 billion rubles, and taxes and customs fees paid from it equaled 67,3 billion rubles. Tax and customs benefits provided to residents amounted to 35.0 billion rubles.

He noted that Free Economic Zones in Russia are experiencing the "second wave" of development, but they have several problems in their operation:

1. Shortcomings in the legal regulation of special economic zones, etc.;
2. Lack of a system for evaluating the efficiency of special economic zones;
3. The decisive role of the state in the creation and management of special economic zones;
4. There have been cases of investors refusing to implement their projects due to violations of the conditions for the construction of infrastructure facilities in free economic zones;
5. Lack of regular information on the activities of special economic zones and the results of their activities;
7. High cost of creating new jobs;

Management of special economic zones and industrial parks, together with other government bodies, is responsible for attracting investors and creating networks for the development of such areas and, in turn, stimulate their growth. In addition, the most successful zones use the investor strategy of offering high-level companies to participate in the initial stages of the zone's formation, thereby demonstrating the strength of the zone to other potential investors, and this factor is considered a useful network of suppliers and partners. In Russia, the government plays an important role in the creation of special economic zones and industrial parks, because its main goal is to improve the investment climate and weak governance, rather than to remove economic and legal restrictions on trade operations.

Industry groups have three defining characteristics. The first is proximity: clusters are usually considered geographically at the regional or city level. Other characteristics are value creation: clusters include different firms that are related to each other by producing goods and services that are valued by customers. The third characteristic is the business environment: companies, government agencies, universities, and other organizations are based on certain activities and collaborations, which some describe as the "innovation system."

CONCLUSION

According to research, the year-by-year increase in the role of Free Economic Zones in the economic development of the Russian Federation is explained by the following:

Provision of customs and tax benefits for foreign investors operating in free economic zones;

In order to achieve economic development in free economic zones, wide opportunities are given to all-round independent innovations aimed at increasing the consumption of material resources in scientific and technical processes and increasing innovations in management.

The following directions are important for attracting foreign direct investments to Uzbekistan and developing the activities of the MIZs:

further simplification of the tax mechanism (reduction of tax rates, reduction of the tax rate for some types of activities)

improvement of the financial and credit mechanism (allocation of state subsidies for MIZ residents, reduction of loan interest rates for MIZ residents)

development and modernization of logistics system;

Extending the benefit period for MIZ residents;

State assistance in export relations.

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