



FACTORS FOR ENHANCING REGIONAL INVESTMENT ATTRACTIVENESS AND APPROACHES USED FOR ITS ASSESSMENT

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ABSTRACT

Investment attractiveness refers to the overall set of economic, social, and political conditions that determine a region’s ability to attract investment. The qualitative approach relies on expert assessments, interviews, and subjective judgments, while the quantitative approach involves numerical data, statistical modeling, and measurable performance indicators. The G’ijduvon Free Economic Zone provides a practical example of how location and infrastructure can influence regional investment appeal. Uzbekistan’s 2019 Law on Investments is a key instrument providing guarantees to investors and shaping the legal framework for economic development.

In the current context of globalization and competition, improving investment attractiveness plays a decisive role in ensuring a country’s economic security, creating new jobs, advancing technological modernization, and strengthening export potential. For this reason, the improvement of the legal framework supporting investment activity not only accelerates economic growth but also contributes to shaping Uzbekistan’s economic potential in the international arena.

Investment attractiveness is a multifaceted concept, and various views exist regarding its characteristics and influencing factors. Since the academic literature presents differing opinions on this matter, it is necessary to take into account multiple approaches and the range of factors that impact investment decisions. Investment attractiveness is regarded as a key determinant directly affecting the economic development of regions and enterprises. It is often considered an indicator of the effectiveness of local authorities in creating a favorable environment for attracting investment. The Law on Investments and Investment Activities, adopted on December 25, 2019, in Uzbekistan, aims to develop a lawful, efficient, and stable investment environment. This legislation contains guarantees related to the protection of investors’ rights, investment freedom, transparency, and fairness.

From a historical perspective, scholars from different countries have expressed varying opinions on this issue. Kolesov emphasizes that investment decisions in industrial enterprises are determined by factors such as capital intensity, technological complexity, resource

dependency, macroeconomic stability, government regulation, and global competition. These factors differentiate industrial enterprises from other sectors such as services or information technology. Yaskov underlines the importance of clearly defining the concepts of “investment attractiveness” and “investment climate.” Yangulbaeva and co-authors analyze the advantages and disadvantages of existing methods for assessing the investment environment. Bessonova and colleagues highlight the significance of investment attractiveness during times of crisis, identifying innovation as a key driver for its enhancement. B. Ochilov focuses on the role of foreign direct investment in the national economy, discussing the business environment and investment risks through the lens of international indicators.

The factors affecting investment attractiveness can be broadly grouped into economic, social, and political categories. Economic factors include macroeconomic stability, growth potential, and investment profitability. Lavrentyev and Sagina point out that profit and sales profitability are the main factors for attracting investments in the oil sector, noting that Rosneft leads in capitalization and dividend payments. Jeltenkov and his co-authors underline the importance of infrastructure, especially transport, in improving regional investment attractiveness. Pokharel and colleagues support this argument by noting that investments in interregional transport infrastructure improve accessibility and stimulate economic activity. Bulavko and his co-authors stress that digitalization plays a vital role in enhancing the investment appeal and innovative development of industrial enterprises.

Social factors include quality of life, the availability of skilled labor, and the level of education in the region. Grenchikova and colleagues emphasize the importance of managing the transition to Industry 4.0 by developing the necessary workforce skills to prevent unemployment and mitigate negative social consequences. A practical example can be seen in the G'ijduvon Free Economic Zone in the Bukhara region, where strategic location and developed infrastructure serve as significant social factors in attracting investment.

Political factors encompass political stability, the legal framework, and government policy. Sabirov highlights the importance of state guarantees for foreign loans and investments as a means of improving the investment climate in the regions.

Approaches to assessing investment attractiveness generally fall into two categories: qualitative and quantitative methods. The qualitative approach is based on expert opinions and subjective assessments of various factors. Morgagni and his co-authors emphasize the role of expert opinion in managing metastatic gastric cancer. Poddar and colleagues, using surveys and a “fuzzy” approach, identified barriers to integrating the circular economy concept into the fast-moving consumer goods supply chain. Logunova and other researchers applied expert evaluation methods to identify the main factors shaping investment attractiveness in marine aquaculture. The quantitative approach, in contrast, relies on measurable economic and financial indicators such as profitability and liquidity, as well as statistical models and multi-criteria decision-making techniques. Hendiani and Walther applied a two-layer “opportunity level” approach to group decision-making. Li and Wang developed a plant-growth simulation algorithm for selecting sustainable suppliers, representing a purely quantitative method. Nguyen and his co-authors used system dynamics to assess the social and economic benefits of infrastructure projects. Bulavko and colleagues again point to innovation as an essential factor in increasing the investment attractiveness of industrial enterprises.

In conclusion, developing strategies to improve investment attractiveness based on the integration of academic perspectives and national legislation remains an urgent task. In this process, a stable political environment, a transparent legal system, well-developed infrastructure, and effective communication with investors represent the main pillars for ensuring long-term economic development in the country.

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