

Possibilities of Attracting Investment Flow in the Development of Aspects of Cultural Tourism in Uzbekistan

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Abstract: The article considers the main problems and prospects for the investment development of the tourism industry in the Bukhara region. The main trends in the development of investment activities in the field of tourism in Uzbekistan are also described. As well as the tourism potential of the cities of the republic and the use of investments.

Keywords: investment, foreign capital, tourism and hotel business, tourist cluster, tourism potential

Introduction

To date, tourism has become one of the leading sectors of the world economy. In this regard, Uzbekistan pays special attention to the modernization of the tourism industry, the development and improvement of the regulatory framework for the sustainable development of the industry, the organization of servicing foreign guests following international standards. During the years of independence, our country made a significant breakthrough in this area, along with the preservation and enhancement of the historical and cultural heritage of the people, the revival of national traditions and customs and the restoration and arrangement of the sights of the republic.

There are 9608 cultural objects in the republic. So of these, more than 7,300 objects of ancient architecture and archaeological sites, among which more than 200 are included in the UNESCO World Cultural Heritage List. Most of them are located in the cities of Samarkand, Bukhara, Khiva, Shakhrisabz, Termez, Kokand and Tashkent.

The most ancient cities of Uzbekistan are more than 2750 years old. Samarkand is the same age as Rome and is one of the oldest cities in the world.

One of the first five latitudinal stations in the world is located in the observatory of Kitab, on the banks of the Kashkadarya River. Since 2010, the Kitab team on ORI-40 has been searching for dangerous near-Earth asteroids.

Highest point: Gissar Range (4,643 m above sea level). Lowest point: Mynbulak depression (-12.8 m below sea level)

At present, the National System of Protected Natural Areas includes eight reserves, two natural and one national park, one biosphere reserve, seven natural monuments, three natural nurseries, 12 wildlife sanctuaries, more than 25 water protection zones, coastal strips and groundwater formation zones, 73 forestry's and five state forest and hunting farms. The total protected natural area is about 5% of the country's size. The system of protected natural areas covers about 3.5% of desert ecosystems, about 3.0% of floodplain forests and 14% of mountain ecosystems.

A visa-free regime has been established in 17 countries; the electronic system also allows guests from 51 countries to receive simplified electronic visas on the e-visa.gov.uz website, and more than 10,000 electronic visas have been issued since the launch of this service. Uzbekistan has the only metro in Central Asia, built-in 1977.

In January-December 2022, 5.2 million foreign citizens visited Uzbekistan for tourism purposes. This figure increased by 3.4 million people, or 2.8 times, compared to last year's corresponding period.

Discussion and analyses. During the years of independence, a favorable investment climate, a comprehensive system of legal guarantees and benefits for foreign investors have been created in the Republic of Uzbekistan, an integral system of measures has been developed to stimulate the activities of enterprises with foreign investments.

The investment legislation of the Republic of Uzbekistan is one of the most advanced in the system of legislation of the CIS countries, incorporating the main provisions of international investment law, in particular, provisions on guaranteeing the rights of foreign investors, providing specific preferences for investors and others.

Investment activity in the regions of Uzbekistan is essential for development of the entire national economy. This provision can be confirmed by the fact that the government considers the formation and implementation of a regional investment policy a necessary condition for sustainable economic growth in the republic. In recent years, due to economic reforms in Uzbekistan, the potential of the republic and its territorial monetary units has increased significantly. Practically in all areas, new manufactures, transport communications and other objects are put into operation due to the attraction of foreign investments.

The basis of legal regulation in the field of attracting foreign investment in the Republic of Uzbekistan are:

- *Law on Foreign Investments;*
- *Law “On investment activity”;*
- *Law “On Guarantees and Measures to Protect the Rights of Foreign Investors”*
- *Law “On Protection of Investors' Rights in the Securities Market”, as well as several legal acts adopted in the form of decisions of the President of the Republic of Uzbekistan and government decrees.*

Foreign investments in the territory of the Republic of Uzbekistan can be made in various forms. In particular:

- *equity participation in statutory funds and other property of economic companies and partnerships, banks, insurance organizations, and other enterprises established jointly with legal entities and (or) individuals of the Republic of Uzbekistan;*
- *creation and development of economic companies and partnerships, banks, insurance organizations and other enterprises wholly owned by foreign investors;*
- *acquisition of property, shares and other securities, including debt obligations issued by residents of the Republic of Uzbekistan;*
- *the investment of intellectual property rights, including copyrights, patents, trademarks, utility models, industrial designs, trade names and know-how, and goodwill;*
- *acquisition of concessions, including concessions for exploration, development, extraction or use of natural resources;*
- *acquisition of the right of ownership to trade and service facilities, residential premises together with the land plots on which they are located, as well as the right to own and use land (including based on lease) and natural resources.*

An important role is played by the accession of Uzbekistan to the international legal support system. The Republic has acceded to international documents such as the Washington Convention on the Procedure for Settling Investment Disputes between State and Foreign

Persons (1965) and the Seoul Convention on establishing a Multilateral Investment Guarantee Agency (1985). Uzbekistan has concluded many intergovernmental agreements on mutual protection and encouragement of capital investments, signed agreements on avoiding double taxation, and partnership and cooperation. According to experts, the laws and regulations adopted in the Republic create an integral system of tax benefits, incentives and guarantees against political and commercial risks as favorable framework conditions for the active participation of foreign firms and companies in the markets of Uzbekistan.

The state's investment policy is a set of interrelated goals and measures to ensure the required level and structure of investment in the country's economy and its areas and industries to increase the investment activity of all the primary agents of reproductive activity: the population, entrepreneurs and the state. Simply put, investment policy is the activity of the state aimed at finding sources of investment and establishing rational areas for their use.

Developed by the head of our state, the "Strategy of Action in Five Priority Areas of Development for 2017-2021" is aimed at further development of the country, increasing prosperity and improving people's lives. In the successful implementation of this strategy, an important role belongs to the ongoing investment policy, increasing investment activity at all levels of government, including the population, and increasing the return on investment funds invested in the development of the economy [1, 70].

Investments are considered the resource "artery" of the economy. As American investors, businessmen and entrepreneurs say, "We invest today to live better tomorrow." Indeed, thanks to investments, new ones are being created and "old" enterprises and facilities are being modernized, reconstructed, expanded; housing construction is being carried out on a large scale, the appearance of cities, villages, and workers' settlements is improving, and modern infrastructure is being formed. In our opinion, thanks to investments, or rather, investing in objects necessary for the economy, life is improving, people are living well today. As world practice testifies, almost all countries, even highly developed ones, need investments.

For example, the United States, which occupies a leading position not only in the economy but also in engineering and technology, providing investment support to other countries, turns out to be attracting foreign investment to its economy.

Real positive changes in all spheres of the economy and life came to the republic only after it gained independence. Carrying out reforms and implementing its economic development model, recognized by the world community as "Uzbek", Uzbekistan has achieved tremendous changes. According to available data, over the years of independence, almost \$200 billion has been invested in the development of the domestic economy, the modernization of "old" fixed assets and the creation of modern high-tech industries and industries, of which almost \$70 billion is foreign investment. Ultimately new initiatives began to function in the economy - automotive, railway engineering, oil and gas engineering, petrochemicals, industry, modern building materials, consumer electronics, pharmaceuticals, etc.

Today, thanks to investments directed at the development industry, the following strategic tasks are being solved:

- 1. Raising the technical and technological level of industrial production.***
- 2. Aligning the development of the industrial potential of the regions - regions, cities and districts- improving the distribution of productive forces.***
- 3. Creation of a qualitatively new structure of social production - an economy of innovative type.***
- 4. Formation of competitive industries and industries, providing effective foreign economic relations.***
- 5. Intensification, diversification and localization of industrial production, increasing industry share in GDP.***

6. Creation of new (additional) jobs and an increase in the level of employment of the able-bodied part of the population [3, 701].

The structure and intersectoral proportions of the economy, the distribution and use of productive forces improved, and the regions began to function differently. The created free industrial and economic zones "Angren", "Navoi", "Jizzakh" are successfully operating, increasing the investment attractiveness of the country. Over the past five years, more than 225 million dollars have been invested in the Angren FEZ, of which 158 million dollars are foreign investments. Similar zones have been created in the Kokand, Urgut and Gijduvan regions. Today, the share of capital investments in the gross domestic product (GDP) exceeds 23%, about 5 thousand enterprises carry out their production and economic activities with the participation of foreign capital; in the structure of capital investments, a significant share is made up of funds from enterprises, organizations and the population, and not just the state, as it was before, in a planned economy.

The current investment strategy and tactics, the growing investment activity of economic entities and the population every year, as well as the special attention of the country's leadership to investment processes in general, ensure not only high economic growth rates but also social progress, as well as self-sufficiency and competitiveness of the economy. It is no coincidence that Uzbekistan is now among the states with a high investment potential and strictly observing investment, partnership and other business obligations. Therefore, the Uzbek market today attracts many foreign investors and business people, which not only pleases us but also creates a particular pride in the country in which we live.

On March 31, 2017, the Decree of the President "On Education State Committee of the Republic of Uzbekistan for Investments", which is aimed, by and large, at the full realization of the country's investment potential. This will practically be connected with the expansion of cooperation with international financial institutions, leading foreign companies and banking structures, foreign government financial institutions, and further improvement of the investment climate in the country. It will be necessary to coordinate work on the formation and implementation of a unified state investment policy, the qualitative development of annual investment programs, and the activation of the process of attracting foreign investment to the economy, primarily direct investment, as well as loans, grants and other resources [2].

An essential task of the newly created institution is to increase the efficiency of investments attracted to the economy, highlighted in the decree in a particular line. And this, I think, is not accidental. The fact is that in the conditions of high rates of development of the economy and the funds invested in it, not only efficiency but also their timely and as high a return as possible become an indispensable condition for the implementation of the tasks and programs of various transformations both in the economy and in the social sphere.

If in 1990 capital investments in the country's economy amounted to the equivalent of 833.8 million dollars, and in 2022 - 3142.5 million, then the investment program for 2021 includes 545 investment projects 53 with a total value of 50 billion US dollars, in it is planned to use 7.3 billion dollars of investments during the year. The volume of assimilated foreign investments in the economy of Uzbekistan at the end of 2021 increased by 1.4 times compared to 2022 and exceeded \$2.4 billion, while the share of foreign investments in total investment in 2021 increased to 20.4% against 15.3% a year earlier. [4].

All this shows the increased role of foreign investment and enterprises and their participation in the country's economy. In this regard, within the framework of this study, an attempt was made to assess the impact of foreign investment on the republic's development in terms of the effectiveness of state management of this process.

In the implementation of structural transformations of the economy of Uzbekistan, foreign investment plays a significant role since the productive forces of the republic need substantial

investments for modernization and reconstruction, and domestic sources of financing investment are not enough. Therefore, attracting foreign investment on a large scale pursues strategic goals and is one of the most important directions of state policy.

The main task of the state is to create favorable conditions for capital investment. Our country has everything it needs to attract significant foreign investment:

- *a well-formed legislative framework that defines the legal framework for entrepreneurship, protection of private property and competition;*
- *created infrastructure to support the investment process;*
- *political stability;*
- *advantageous geographical position;*
- *rich mineral resources, as well as the potential for the development of the agro-industrial sector;*
- *skilled labor resources;*
- *sufficiently capacious sales market.*

An essential factor in the investment climate is the system financial and economic incentives and benefits for foreign investors, which are focused on increasing foreign direct investment in the manufacturing sector, particularly industries and industries with excellent export potential.

Thus, the use of foreign investment at the same time allows you to get the following:

- additional financial resources,
- attract advanced foreign technologies and management experience,
- saturate the domestic market with quality products and develop the country's export base.

An effectively thought-out state policy to attract foreign investment is becoming an effective tool for the structural transformation of priority sectors of the economy of Uzbekistan.

Bukhara - Capital of Islamic Culture.

Sacred Bukhara is one of the tourist gems of Uzbekistan. The city's historic center is included in the UNESCO World Heritage List. The age of the town exceeds 2500 years.

If you want to plunge into the atmosphere of an ancient oriental fairy tale, visit the top sights of Bukhara:

✓ **The Shanghai Cooperation Organization recognizes the Poi-Kalon architectural complex as the "Eighth Wonder."**

✓ **Ark Fortress,**

✓ **Samanid Mausoleum,**

✓ **Chashma-Ayub mausoleum,**

✓ **Magaki-Attari Mosque,**

✓ **Ulugbek Madrasah,**

✓ **Miri-Arab Madrasah,**

✓ **Lyabi-Hauz Ensemble and much more.**

A resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On measures to further develop the tourism sector in the Bukhara region in 2022-2026" was adopted. (No. 543 dated 28.09.2022)

Following the resolution, more than 800 cultural objects in the Bukhara region will be restored individually.

In Bukhara, a gastronomic street called "Street Food" will be created, and measures will also be taken to temporarily lease to entrepreneurs for certain period streets and land plots intended to create a "gastronomic street."

Measures will be taken to protect, research and museumize the archaeological heritage of "Ancient Paikent," an archaeological park will also be created.

Publications of unique value in the fund of the Bukhara State Museum and the Bukhara Regional Information and Library Center will be stored in Bukhara as a separate collection.

By analyzing manuscripts, rare and valuable publications in the funds of the Bukhara State Museum and the Bukhara Regional Information and Library Center, the necessary measures will be taken to include them in the UNESCO Memory of the World list.

The government of Bukhara region, together with the Ministry of Economic Development and Poverty Reduction and the Ministry of Construction, will repair internal roads, drinking water and other infrastructure facilities of the Tourist Mahalla, Tourist Farm, and Tourist Village in the coming years. Subsequently, these activities will be included in the "Obod Qishloq" and "Obod Mahalla" programs, within which the relevant measures will be implemented.

According to the resolution, until 2026, the target indicators for the development of tourism in the Bukhara region will be as follows:

- *Increase in the number of domestic tourists to 4.1 million people;*
- *Increase in the number of foreign tourists up to 1800 people;*
- *Increasing the volume of exports of services up to USD 300 million;*
- *Bringing the occupancy rate of hotel rooms to 93%;*
- *Increasing the number of hotels to 258;*
- *Increasing the number of family guest houses to 345;*
- *Increase in the number of hostels to 76.*

Conclusion. The tourism sector occupies 9% of the world's GDP, which means a high potential for this field of activity, which is underestimated in Uzbekistan and the Bukhara region.

Tourism in the Bukhara region has long been a potentially profitable industry. The part is not limited to one type of tourism services provided but can provide a range of diverse offers. It has excellent potential for domestic and inbound tourism; the region can offer unique ethnographic and industrial tourism.

Forming an investment climate in the region will be the first step in building entire clusters containing many types of tourism. This is achievable through the joint work of investors and the government to achieve an investment climate since, with the necessary infrastructure, investors can finance various projects without fear. Forming an investment climate will attract investors, which will create many jobs, lead to the rise of related industries and improve the population's well-being. Considering the peculiarities of investment activity in tourism, it is possible to form a unique tourist destination gradually.

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