



The Peerian Journal

Open Access | Peer Reviewed

Volume 24, November, 2023.

Website: www.peerianjournal.com

ISSN (E): 2788-0303

Email: editor@peerianjournal.com

Special Economic Zones Promising to Increase Investment Activity

Iskandarova Dilorom Khayrullayevna

Tashkent Financial Institute Department of Valuation and Investment

Email address: diskandarova_117@gmail.com

Abstract: The essence of the special economic zone, the theoretical basis for the development of investment activity in the region, the main characteristics of the investment activity of the special economic zone, and the prospect of increasing the investment activity of the special economic zone are presented

Keywords: Special economic zone, fiscal privileges, economic efficiency index, technology folder.

Introduction. In the world, special attention is being paid to increase the investment activity of special economic zones, to ensure the investment attractiveness of economic sectors, to achieve the modernization of production processes and the creation of new jobs. According to the United Nations World Investment Report, "there are more than 5,400 special economic zones in 147 countries, and in 2021, the volume of foreign direct investment worldwide will be 1.58 trillion. made US dollars, the share of special economic zones in this flow of investments was more than 20 percent".

Analysis Of Literature On The Subject. Many economists argue that Special Economic Zones significantly affect investiture activity by the States ' role in international rankings. Including A.Bárcena, L.López, M.Dirven, S. In Malchik's view, the scientific and analytical guide " Foreign Investment in Latin America and the Caribbean " analyzes the role of Latin American countries in international rankings, assessing their influence on the flow of foreign investment in the free economic zones, where their ranking is located in the region. Moreover, the sharp increase in illegal settlements in offshore zones formed on the territory of this region negatively affected the investiture activity of Special Economic Zones in Latin American countries (Argentina, Brazil, Mexico).

From Russian economist scientists V. I. Baronov in the research work carried out by Kostyunina, the conceptual foundations of ensuring the effective functioning of Special Economic Zones are studied. According to him, taking into account the modern tendencies of the development of Special Economic Zones, the following factors directly affect their development and ensuring the activity of Investiture: location, level of infrastructure development, fiscal, financial and administrative "package of benefits", transparency of administrative procedures (including the system of conducting work with the principle of "single window").

Douglas Z, A World Bank expert from representatives of international financial institutions, who also studied the content of Special Economic Zones, their role and importance in investiture



The Peerian Journal

Open Access | Peer Reviewed

Volume 24, November, 2023.

Website: www.peerianjournal.com

ISSN (E): 2788-0303

Email: editor@peerianjournal.com

processes, dividing the development situation into periods. We see that Zeng divided into 5 major periods in the processes related to the development activities of Special Economic Zones and the formation of Investiture activity in them.

Analysis And Results. Today, the "World Investment Report" published annually by the international financial institution and scientific research institution, including the United Nations Conference on Trade and Development - UNCTAD (United Nations Conference on Trade and Development), states as follows: Special economic zones are widely used in most developing and developed economies. The flow of investments into the economy will be activated by the government's support of the financial and economic benefits and infrastructure development of this geographically limited area. Today, there are more than 5,400 special economic zones in 147 countries, compared to 4,000 5 years ago. It should be noted that the trend of increasing investment activity in special economic zones is a part of the new wave of global industrial policy and the response to the growing competition of international mobility of investment.

The "Development Strategy" map operating in Uzbekistan conducted more than 100 optical interviews and questionnaires based on the methodology of the "Participatory Action Research-PAR" project under the auspices of the Swiss "Pease Nexus" fund. In the survey, most of the foreign investors in the special economic zone operating in our country noted that it is important to constantly monitor the influence of Uzbekistan in the public sphere and its position in the field of investment, and that this is important in the investment package accepted by the company.

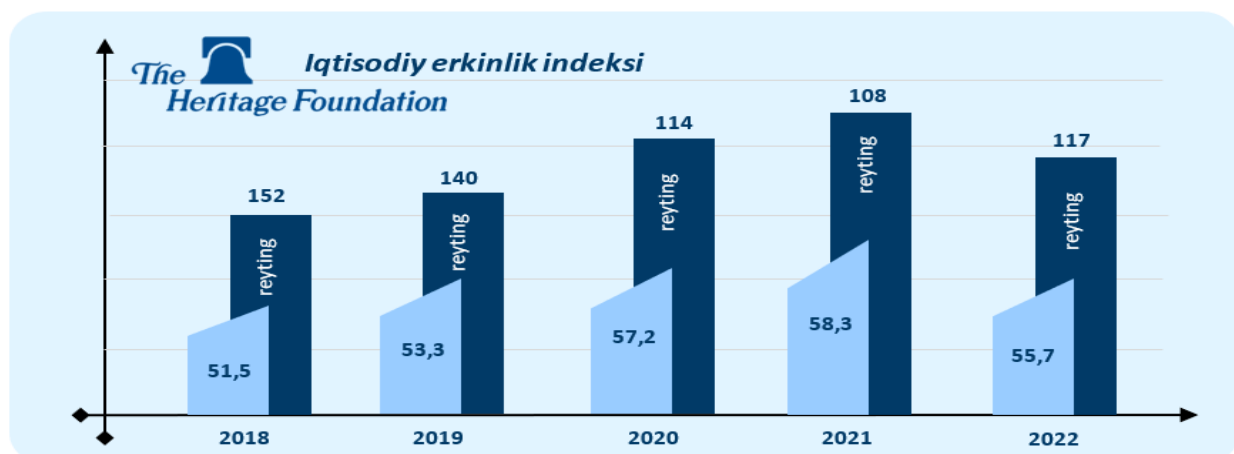


Figure 1. Uzbekistan's position in the international ranking of the index of Economic Freedom – 2022

In this regard, in the "Economic Prosperity Index - 2022" report published by the Heritage Foundation, which operates in the United States, our republic ranked 117th in the world ranking and remained in the group of "states with less economic prowess"



Table 1
Tax benefits granted to Special Economic Zones

States	Type of Special Economic Zone	Basic	Tax benefits that are given the name
United States Of America	Free trade zones		Tax cuts on imported components
	Free enterprise zones		Tax benefits and simplified reporting
	Technology parks	"Silicon Valley"	Preferential terms of lending and deductions from rent
Japan	Technopolis	"Sakaiminato"	Accelerated amortisation
Ireland	Complex zone	"Shannon" 	rent and tax benefits
China	Special Economic Zone	"Shenzhen"	Customs and tax benefits, income tax rate 10%, rent and EP tax benefits (15-20 \$per km ²)
Brazil	Free production zone	"Manaus"	exemption from payment of ep Tax, Taxes on the import of machinery and equipment, duty benefits, mandatory condition-use of local raw materials
United Arab Emirates	Free trade zone	"Djebel-Ali"	exemption from income tax and other taxes for 15 years
South Korea	Agropolises	"Masan"	rent and tax benefits
Russia	Free customs zone	"Gavan"	duty fee and tax benefits
	R & D zone	"Nakhodka"	all taxes

These benefits are considered important for the special economic zones established in most states. The reason is, due to the reduction of large customs tariffs, it is possible to achieve a reduction in the cost of production in special economic zones. In many cases, including in our country, these benefits apply to the import of equipment, raw materials, which are not produced on the territory of the Republic and are imported for the production of imported substitute goods. It is important that in most states, the means of stimulating import activities are also precisely customs privileges. In particular, " free trade areas operate in all areas in Japan except Okinawa Prefecture. It is noteworthy that free trade areas also serve to promote import activities, which is why they are also called "import development areas"". Special customs imiyos are valid for them.

administrative and currency benefits. In particular, Armenia is allowed to conduct trade in foreign currency only on the basis of a conversion for free economic regions. In other regions, the national currency system is in effect. In addition, state interactive services are provided on the principle of "single window" for free economic regions.



The Peerian Journal

Open Access | Peer Reviewed

Volume 24, November, 2023.

Website: www.peerianjournal.com

ISSN (E): 2788-0303

Email: editor@peerianjournal.com

benefits in quotation, licensing, standardization, certification and boshia notary direction. A significant aspect of benefits in this direction is that in this direction one country determines the type of benefits and the sphere of application, agreed in the framework of integrations, that is, its determination in full independence, can limit the investment activities of a special economic zone. Especially the investment activity of foreign trade regions is "extremely sensitive" to the benefits in this case.

2) Special Economic Zones have favorable infrastructure networks, developed and pre-formed in relation to other regions by their investment nature. Infrastructure networks were manifested mainly by being divided into types such as production, market and service. Also, the formation and development of infrastructure networks in some states is carried out with the financial support of the state. Positive results in this direction can be seen on the example of Dubai, United Arab Emirates. At the initial stage, it can be seen that due to the establishment of favorable infrastructure networks in a city consisting of dry desert, investision has positively affected the unprecedented growth of activity.

In the last few decades of the 20th century, the Government of Dubai began to invest heavily in other types of transport infrastructure. Until the 1970s, the emirate's road network was relatively underdeveloped. In 1973, the first road connecting Dubai and Abu Dhabi was completed and each emirate built a road to their common borders. In addition to the opening of Jebel Ali, the state invested in several major road projects in late 1970 to support the port's growing status as a gateway to the Arabian Peninsula. The railway segment of the emirate was formed in the mid-1990s when the Dubai Ports, Customs and Free Zone Corporation commissioned a feasibility study on the potential of rail links in the region.

Currently, the creation of a convenient infrastructure is one of the important factors in ensuring the investment activity of this Hudud. In accordance with the law of the Republic of Uzbekistan on special economic zones of February 17, 2020, the program for the development of a special economic zone will have a positive impact on the activity of Investiture, the territory established by the creation of production infrastructure, the provision of programs for the development of engineering and communication and road transport infrastructure, the creation of market infrastructure. In addition, " the document provides that the construction or renovation of infrastructure facilities can be financed at the expense of centralized and decentralized resources.

Providing the necessary infrastructure is the main factor in their effective functioning and the involvement of new investors and entrepreneurs in the implementation of projects in their territory. In this regard, in 2021, an improvement in the state of infrastructure networks was achieved due to the allocation of 890 billion soums for the implementation of work on connecting existing special economic zones to engineering and communication networks.

Conclusions And Suggestions. Special economic zones are an area where a special preferential regime is established, which is established in order to ensure economic-social development by attracting a certain delimited territory or investments in the network. Tax, customs, administrative privileges applied to Special Economic Zones are an important investiture feature of these regions.



The Peerian Journal

Open Access | Peer Reviewed

Volume 24, November, 2023.

Website: www.peerianjournal.com

ISSN (E): 2788-0303

Email: editor@peerianjournal.com

Source And Bibliography List:

1. M.Engman, O.Onodera, E.Pinali, Export Processing Zones: Past and Future Role in Trade and Development, OECD Trade Policy Working Paper No. 53, 2006. p. 10.
2. T.Farole. (2011). Special economic zones in Africa: comparing performance and learning from global experience. Directions in Development; trade. World Bank.
3. Bárcena, L.López, M.Dirven, S.Malchik. Foreign Investment in Latin America and the Caribbean, 2008
4. D.Zen. The Past, Present, and Future of Special Economic Zones and Their Impact. Journal of International Economic Law, 2021, 00, 1–17 doi:10.1093/jiel/jgab014 Original Article, 17 p.
5. П.Ярош Управление развитием территориально-хозяйственных зон в польше: теория, методология, практика. Монография. Польша. 2018.
6. В.Баронов, Г.Косюнина. Свободные экономические и офшорные зоны: (экономико-правовые вопросы зарубежной и российской практики) : учебное пособие. - Москва : Магистр : ИНФРА-М, 2019. С – 560.
7. 15. Hoshimov J. FOREIGN INVESTMENTS IN THE NATIONAL ECONOMY FOREIGN EXPERIENCES OF ATTRACTION //Iqtisodiyot va ta'lim. – 2021. – №. 5. – С. 144-148.
8. ХАШИМОВ Ж. IQTISODIYOTGA TO 'G 'RIDAN-TO 'G 'RI XORIJIY INVESTITSIYALARNI JALB QILISH HAJMINI OSHIRISH YO 'LLARI //Economics and Innovative Technologies. – 2023. – Т. 11. – №. 4. – С. 93-99.
9. Хошимов Ж. ИҚТИСОДИЁТГА ХОРИЖИЙ ИНВЕСТИЦИЯЛАРНИ ЖАЛБ ҚИЛИШДА АҚШ ВА ХИТОЙ ТАЖРИБАСИ: https://doi.org/10.55439/ECED/vol23_iss5/a61 //Economics and education. – 2022. – Т. 23. – №. 5. – С. 363-369.
10. Вахтиёр о'ғ'ли О. В. THE IMPORTANCE OF THE STOCK MARKET IN THE INVESTMENT ENVIRONMENT IN ATTRACTING FOREIGN INVESTORS //Science Promotion. – 2023. – Т. 1. – №. 1. – С. 8-13.
11. Bakhtiyarovich O. V. THE ROLE AND SIGNIFICANCE OF THE REGIONAL INVESTMENT ENVIRONMENT IN ATTRACTING FOREIGN INVESTMENTS TO THE ECONOMY //Conferencea. – 2023. – С. 5-8.
12. Abdullaevich N. I. The Importance of Investment Attractiveness and The Role of Foreign Direct Investors in The Growth of The Country's Economy //Texas Journal of Multidisciplinary Studies. – 2023. – Т. 25. – С. 22-26.
13. Abdullaevich N. I. Foreign Experiences of Attracting Foreign Direct Investments //The Peerian Journal. – 2023. – Т. 22. – С. 46-50.
14. Butaev J., Radjabov U. Conceptual foundations of improving the tax system problems and solutions //TRANS Asian Journal of Marketing & Management Research. – 2021. – Т. 10. – №. 4. – С. 91-98.
15. Бутаев Ж., Раджабов У. АКТУАЛЬНЫЕ ВОПРОСЫ РАЗВИТИЯ ФОНДОВОГО РЫНКА В НАЦИОНАЛЬНОЙ ЭКОНОМИКЕ //Экономика и социум. – 2021. – №. 4-1 (83). – С. 768-771.