

## ATTRACTING FOREIGN INVESTMENT IN THE AGRICULTURAL ECONOMY

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### **Abstract**

The article discusses the importance of attracting domestic and foreign investments in the development of the agricultural economy, the experience of foreign countries and the problems of the analysis and investment of investment in fixed assets of agriculture in the Republic of Uzbekistan, as well as suggestions for their elimination.

### **Keywords:**

Agriculture,  
Smart Agriculture,  
Investment,  
Banking,  
Digitalization.

### **INTRODUCTION**

At present, the country needs to invest in the development of agriculture and to increase its efficiency in the future of "smart" agriculture, ie digitization of agriculture. It is necessary to increase the level of material and technical base of agriculture, to attract investments to improve the knowledge, skills and experience of labor resources. For this purpose, it is necessary first of all to ensure timely receipt of investment funds from the state and local budgets, as well as to provide more funds for further investment in their activities as a result of economic growth in the sector and enterprises.

In this regard, the President of the Republic of Uzbekistan, in his address, stated that "by 2020, we will introduce water-saving technologies on 44,000 hectares or by almost 4 times more than last year. For this purpose the state budget will be allocated 300 billion sums. Also, automation of water management processes, water control and accounting systems....

At the same time, it is necessary to choose the right course of funds of enterprises' funds, and to try to use them wisely, which are the real sources of investment expansion. Adoption and implementation of state programs for the development of the agricultural economy and integration into the world economic system based on the encouragement of foreign investment into the agricultural economy will contribute to the development of our national economy and address the socio-economic problems in rural areas [2].

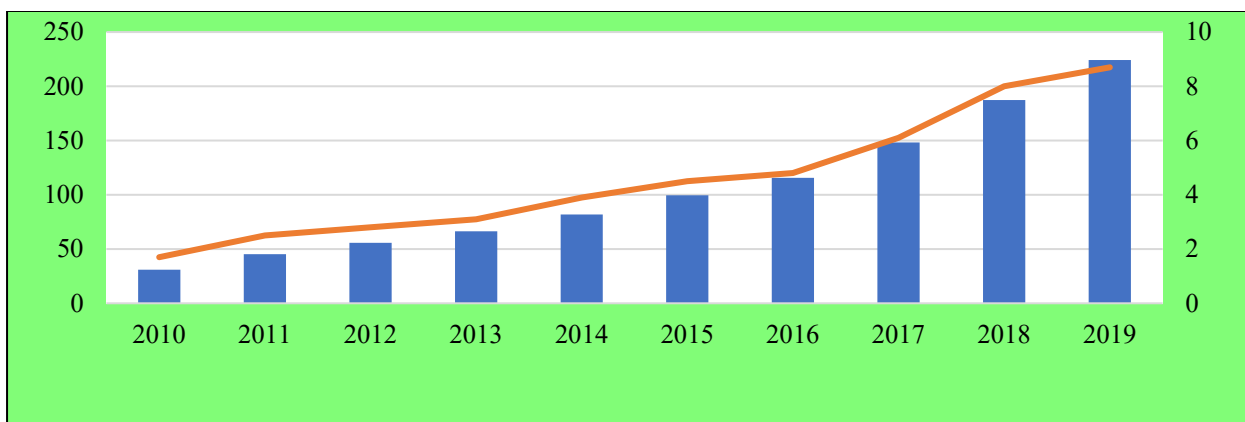
### **RESEARCH METHODS**

Financial and economic analysis of the agricultural sector shows that the presence of a number of shortcomings in the life of rural areas reduces the potential for foreign investment in the sector.

The following are some of the problematic issues highlighted in Figure 1 below. First, the need for further improvement on the basis of the legal basis for the development of market processes, the presence of technological and organizational deficiencies in the digitization of economic and social relations in agriculture, and the

creation of new laws based on digitalization of the sector, underdeveloped relations between business entities and business entities of foreign countries can be displayed. However, as a result of ongoing reforms and implementation in the country to address these problems, “We continue to study and research to increase the interest of farmers and farmers in agriculture. Advanced technologies and cluster systems are being introduced in the industry ”[1], which contributes to the development of the agricultural economy.

According to preliminary data, in 2019 the total volume of agricultural, forestry and fishery products will be 224.3 trillion. soums, or 102.5% to the corresponding period of 2018, including 217.2 trillion. (102.4%), forestry - 5.7 trillion. (101.8%), fishery - 1.4 trillion soums. soums (127.0%) [3].



**Figure 1.** Growth of agricultural economy (trillion soums) [4]

According to the preliminary data for the agricultural economy in 2019, investment in fixed assets increased by 5.1 times compared to 2010 and amounted to 8.7 trillion. The volume of gross agricultural output increased by 7.3 times and reached 224.3 trillion soums. soums. As it is seen from the analysis, it is expedient to develop measures to further increase the volume of investment in the industry, to choose the right direction, and to study foreign experience in this field.

Developed countries use a method of incentives for investors to attract foreign investment in the agricultural sector. Participates in the process of legalizing investment processes in conjunction with the Foreign Investment Law, where civil and banking rights are complementary. At the same time, the civil law regulates the payment for received raw materials, performed work and rendered services on the basis of property, economic and contractual relations, regulates the legal relationship between the banks and the banking operations in the settlement of direct payments.

The purpose of the scientific and practical study of the peculiarities of the civil law of attracting foreign investment in the agricultural economy is to make conclusions and recommendations:

First, to study the legal order established in accordance with the laws and by-laws which regulate legal relations between agricultural entities and the state in the formation, distribution and effective use of financial resources in the agricultural sector;

secondly, to study the legal procedures established in accordance with the regulations of the Central Bank regulating legal relations between agricultural

enterprises and banks, developed in accordance with the current legislation to address organizational and legal issues of attracting foreign investments;

third, to study the differences between agricultural legislation and banking legislation; Fourth, it is to study the legal regime established on the basis of departmental documents regulating relations between local authorities and agricultural entities.

### **CONCLUSION/RECOMMENDATIONS**

In conclusion, it is possible to achieve results through strengthening the solvency of agricultural enterprises by developing an effective mechanism to utilize domestic investment opportunities in introducing foreign investment into the agricultural economy.

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