

## MAIN DIRECTIONS FOR INCREASING INVESTMENT ACTIVITY OF SMALL BUSINESS ENTITIES IN UZBEKISTAN

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**Abstract:** This article provides opinions on the main directions of supporting small businesses, creating a favorable investment environment and increasing the investment activity of business entities in Uzbekistan.

**Keywords:** Economy, Standard Of Living, Natural Resource, Labor Resources, Tax Incentives, Economic Infrastructure, Small Business, Credit, Investor, State, Investment, Investment Environment, Investment Activity, Project, Policy, Integration.



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### Introduction

One of the main tasks of the socio-economic development of Uzbekistan is to ensure stable growth of the country's economy, creating favorable conditions for improving the standard of living and well-being of the population. A necessary condition for the implementation and provision of these tasks is to increase the investment potential of the regions of our country and the successful implementation of this process, the geographical location of the regions, the availability of natural resources, their reserves, the number of labor resources (population), age and qualifications, as well as those that remain in the region for several years. One of the main conditions is to take into account a number of factors, such as the level of specialization, state tax benefits and loans. small businesses, as well as the state of socio-economic infrastructure.

When determining the potential of the country's regions, investors make decisions depending on the strategy of these regions, the income of the population and how comprehensive measures taken by local authorities are correct and compatible with a market economy.

The mutual interests of the investor and government authorities influence the method for assessing the investment potential of the region. This, naturally, is reflected in a reduction in the final price of the plot offered for investment by the investor. Focusing on certain final goals in different methodologies gives rise to different interpretations and different understandings of the investment attractiveness of the region.

Measures have been developed to support small businesses, create a favorable investment environment in our country, increase the investment activity of business entities, which are considered appropriate for Uzbekistan, and they are implemented in the following main directions.

**First direction.** Socio-economic stimulation of integration processes as the most important factor in the business and entrepreneurial environment, increasing the investment activity of small businesses and ensuring their development in accordance with the long-term priorities of the country's economy.

**Second direction.** Improving public policy in the field of supporting start-up projects. In this direction, it is very important to regularly pursue government policy in the field of supporting startups.

**Third direction.** Creation of a system of business incubators, accelerators and integrated (coworking) mobile networks to support startup projects.

**Fourth direction.** Tax benefits and grants for start-up projects. In this direction, it is necessary to take a set of measures, including preferential support with tax breaks and grants from the creation to completion of startups.

**Fifth direction.** Creation of funds for financial support of start-up projects, development of crowdfunding based on public-private partnerships, as well as financing of cryptocurrency issuance through ICO.

**Sixth direction.** Creation of innovation clusters for small businesses. In order to increase the investment activity of small businesses, it is recommended to further improve organizational, economic and social conditions and create innovation clusters that create a professional environment for the development of innovations necessary for business on the basis of mutually beneficial cooperation of investors.

**Seventh direction.** Attracting foreign venture companies to cooperation. In order to ensure the influx of foreign investment, it is recommended to introduce mechanisms for equalizing the share of venture capital between national and international participants. For example, Silicon Valley is home to 1.3 billion. BlueRun, a US dollar venture capital firm, has opened a subsidiary in Korea. Another example of this large flow of innovation is that there are international companies such as GE that are now producing several innovative products in Korea.

In the context of the above areas, the following is relevant.

All market participants - from entrepreneurs to investors and the state - first of all need to create conditions for training entrepreneurs interested in creating startups in cooperation, teach them not only to make presentations, but also to prevent errors in production processes.

Startups go through several stages of development and funding before becoming a business and starting to grow and scale. It may take 3-4 rounds of angel and seed funding before a startup finds product market fit. Each stage requires more funds. This corresponds to the main goals of the development strategy that the startup must achieve at each stage. At the same time, investments in the next stages should be received from investors who are already helping to enter their market in highly developed countries.

Entering the market of developed countries should be an inevitable step in the life cycle of every startup. Therefore, it is necessary to develop a roadmap for Uzbek startups to enter the market of highly developed countries (primarily the USA, Germany, Japan, Singapore, South Korea, Finland, China).

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