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THEORETICAL PERSPECTIVES ON ENHANCING THE INVESTMENT CLIMATE ATTRACTIVENESS IN HORTICULTURE

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Annotation: This article explores the theoretical foundations of improving the investment climate attractiveness in the horticultural sector. It analyzes the key economic, institutional, and infrastructural factors that influence investors' decisions to engage in horticultural production. The paper highlights the importance of creating a favorable investment environment through stable macroeconomic policies, efficient land-use systems, transparent legal frameworks, and access to modern agricultural technologies. Furthermore, the study emphasizes the role of innovation, digitalization, and international cooperation in increasing productivity and export potential in horticulture. The conclusions drawn contribute to forming an integrated approach toward sustainable development and competitiveness in the agrarian economy.

Keywords: horticulture, investment climate, attractiveness, agricultural economics, innovation, investment environment, sustainable development.

Introduction

Horticulture is one of the most promising branches of agriculture, playing a vital role in ensuring food security, improving public health, and strengthening export potential. In recent years, the increasing global demand for fruits, vegetables, and other horticultural products has significantly expanded the sector's investment potential. However, attracting sufficient investment in horticulture largely depends on the attractiveness of the investment climate, which reflects the set of economic, legal, institutional, and social conditions that determine investors' confidence and readiness to commit financial resources.

In Uzbekistan, where the agro-climatic conditions are highly favorable for horticultural production, the development of an appealing investment environment is considered a national strategic priority. The formation of a competitive horticultural market requires the implementation of innovative production methods, modern irrigation systems, and logistical infrastructure. To achieve these goals, both domestic and foreign investors must be provided with reliable guarantees, effective regulatory frameworks, and access to financial and informational resources.

Literature Review and Methodology

Investments in the agrarian sector play a crucial role in the development of rural infrastructure, the growth of agricultural production, and the improvement of the population's living standards. To achieve these goals, it is essential to enhance the mechanisms for financing investments directed toward the agricultural sector. Both domestic and foreign economists have studied the issues related to improving the efficiency of investments in agriculture.

Among Uzbek economists, A. Vakhobov, D. G'ozibekov, S. Umarov, and E. Shodmonov have examined the theoretical and practical aspects of agricultural investment financing. Based on A. Vakhobov's research, it is concluded that the investment process in the agrarian sector must be financially supported by the state. E. Shodmonov, in turn, argues that in conditions of financial

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instability and limited access to investment resources, it is advisable to expand the practice of financing agricultural investments through leasing mechanisms.

Among foreign scholars, A. Yemelyanov highlights the price imbalance as a key factor negatively affecting the efficiency of agricultural investments. He notes that the growth rate of agricultural product prices lags significantly behind the growth rate of prices for resources required by the agricultural sector. As a result, producers face difficulties in accumulating the necessary funds for investment.

The current political and economic stability in Uzbekistan provides favorable conditions for attracting investments into agriculture. The legal foundations of the country's investment policy have also been established, ensuring a steady inflow of investments into the sector in recent years. However, only about 3–4% of total investments in the national economy have been directed toward agriculture, which is relatively low compared to the sector's potential. Therefore, increasing the share of investments allocated to agriculture is a priority for the future.

A similar situation exists regarding foreign investment. The attraction of foreign investors to the agricultural sector remains insufficient. It is necessary to intensify efforts in this direction, promoting the establishment of modern, technology-equipped agricultural enterprises. Such measures would not only increase production volumes but also create new employment opportunities for rural residents.

The role of self-financing by agricultural enterprises is also significant. In 2020, only 9.3% of agricultural investments were financed through enterprises' own funds, compared to 22.2% in 2019. Therefore, it is crucial to expand the investment capabilities of agrarian entrepreneurs. Identifying and eliminating the factors that negatively affect investment activity in the agricultural sector is of great importance.

For example, according to the Presidential Decree of the Republic of Uzbekistan No. 3077 of October 6, 2008, a special commission was established to review the optimal size of land plots allocated to farmers. Based on the commission's work, many farms were consolidated, and in some cases, land plots were reclaimed. These actions, along with subsequent government resolutions (No. 362 of December 15, 2015, and No. 14 of January 9, 2019), aimed to improve land use efficiency. However, in practice, due to errors made by certain local officials, some farms lost their land unjustly. Consequently, many farmers lost confidence in the long-term security of their leased land, which discouraged them from making long-term investments in their operations.

Thus, further improvement of market relations will positively impact the expansion of investment activities in agriculture. State budget resources are also allocated to agricultural development through various national programs, such as the Year of Rural Development and Prosperity program and the Land Reclamation Improvement Program (2008–2012). Such budgetary investments are essential for addressing national priorities.

For instance, about 45.3% of irrigated lands in Uzbekistan are affected by varying degrees of salinity. Improving the reclamation condition of these lands requires significant investment, which individual farmers cannot afford. Therefore, expanding state-funded investments in land reclamation is necessary to maintain soil fertility and ensure sustainable agricultural growth.

In the future, to build a strong material and technical base for agriculture, it is essential to continue investing in improving the knowledge, skills, and experience of the agricultural workforce. Effective and timely utilization of investment funds allocated from state and local budgets must be ensured. At the same time, it is important to increase the financial capacity of

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agricultural enterprises so they can allocate more funds for reinvestment. Enterprises should also use their internal financial resources efficiently, as they represent a real source for expanding investment activities in the agrarian sector.

Conclusion

In conclusion, increasing the efficiency of investments in the agrarian sector is a key factor in ensuring sustainable rural development, strengthening food security, and improving the welfare of the rural population. Effective investment mechanisms contribute to modernizing agricultural production, expanding infrastructure, and enhancing the technological capacity of farms.

The research shows that state support and favorable investment policies are essential for stimulating investment activity in agriculture. At the same time, it is important to develop alternative financing methods—such as leasing, public-private partnerships, and foreign direct investment—to diversify funding sources and reduce dependency on state budgets.

Eliminating barriers that discourage long-term investment, such as land insecurity and administrative inefficiencies, will help build investor confidence and attract more capital into the sector. Moreover, rational use of budgetary and internal enterprise resources, along with improved management and innovation, will further enhance investment returns.

Therefore, a balanced combination of state support, private initiative, and institutional reform will ensure the long-term growth and competitiveness of Uzbekistan's agricultural sector, transforming it into a stable and attractive field for both domestic and international investors.

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