IMPROVEMENT OF ASSESSMENT SYSTEM OF INVESTMENT ATTRACTIVENESS OF REGIONS

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Abstract: The article studies some foreign and local methods of assessing the investment attractiveness of regions, and based on these, the author proposed a system for assessing the investment attractiveness in regions. Formulas for calculating investment potential and investment risk indicators have been displayed in this assessment system and the region can be assessed based on the results.

Key words: Investment attractiveness, assessment methods of investment attractiveness, assessment system, investment potential, investment risk.

Assessing the investment attractiveness of regions is important for every investor. Therefore, the issues of assessing the investment attractiveness of the region are still attracting the attention of national and foreign researchers. There are different approaches to this problem, and eventually the evaluation indicators and methods are different from each other. The constantly changing external world requires the improvement of existing approaches and methods for assessing the investment environment of any region, relying on new factors. Scientists have been talking for a long time about the need to systematize the existing methods of assessing the investment attractiveness of the region.

Taking this into account, the methods of assessing the investment attractiveness of sectors and regions studied by foreign and local scientists have been researched in our work; below we give some examples of them:

among the various methods of assessing the investment attractiveness of regions in the Russian Federation, the following are distinguished:

- "Expert RA" methodology;
- Methodology of the Council for Studying Production Forces of the Ministry of Economic Development of the Russian Federation;
- strategic initiatives agency methodology;
- national rating agency methodology;

The most common rating of investment attractiveness of regions is compiled by an expert rating agency. The investment attractiveness of the regions is analyzed by the Expert RA through indicators of investment potential and investment risk. The rating is calculated on the basis of about 40 indicators combined into an integrated indicator of investment potential (including 9 private potentials: production, infrastructure, innovative, consumer, natural resources, labor, institutional, financial, tourism) and an integrated indicator of investment risk (includes 6 groups of indicators: economic, criminal, social, environmental, financial and management risks).[8]

In the monograph "Theoretical, methodological and practical interpretation of investment attractiveness" by Sh.I. Mustafakulov, indicators of investment potential and investment risk are analyzed. Based on these indicators, a methodology for calculating the comprehensive investment attractiveness of the country has been developed. 44 private indicators are taken into account in the methodology.[1]

In our opinion, the above-mentioned evaluation methods have a causal relationship, because on the one hand, investment risks affect the potential of the area, which determines its attractiveness, which in turn depends on investment activity. On the other hand, it regulates the level of investment potential and investment risk, which also affects the increase in the attractiveness of investments.

As a result of the research, the shortcomings of the methods of assessing the investment attractiveness of the regions were revealed, and most importantly, none of them fully consider the specific characteristics of the regions. Many methods are subjective in nature, which are related to the use of expert judgments.

Having studied the existing methods of assessing the investment attractiveness of regions, we offer a system for evaluating the investment attractiveness of regions. (Table 1).

System for evaluating the investment attractiveness of regions [7]

	Type of competence	Indicators	Characteristics	Calculation formula
	Investment potential of region			
1.	Natural geographic potential (IS_1)	Area space percentage ($IS_{1.1}$)	It shows the share of the area of the region in the area of the region	$IS_{1.1}=$ area space, area of the region
2.		The share of arable land ($IS_{1.2}$)	It shows the share of agricultural land in the total land area	$IS_{1.2}=$ agricultural arable land
3.		Population density ($IS_{1.3}$)	Population per 1 sq.km., people	It is given in the data of the Statistics Department of Bukhara Region
4.	Potential of labor resources (IS_2)	The share of labor resources in the total population ($IS_{2.1}$)	It shows the share of labor resources in the total population	$MS_{2.1}=$ MRS– the number of labor resources A_s -the population
5.		Share of the economically active population in the total population ($IS_{2.2}$)	It shows the share of the economically active population in the total population	$IS_{2.2}=$ IFA-economically active population A_s –population number
6.		Share of employment in labor resources ($IS_{2.3}$).	It shows the share of the number of employees in labor resources	$IS_{2.3} =$ BS-jobs number, MRS– labor resources number

7.		Natural growth ($IS_{2.4}$)	It shows the level of natural growth	It is given in the data of the Statistics Department of Bukhara Region
8.	Infrastructure potential (IS_3)	Share of apartments (houses) ($IS_{3.1}$)	The area shows the share of apartments (houses) in the region	$IS_{3.1}$ = K_h- number of of apartments (houses) in the region K_v- number of of apartments (houses) in the region
9.		Housing area per person ($IS_{3.2}$)	Housing area per inhabitant, sq.m)	It is given in the data of the Statistics Department of Bukhara Region
10.		Share of the total area of the housing fund ($IS_{3.3}$)	The share of the total area of the regional housing fund in the region	$IS_{3.3}$ = total area of the housing fund total area of regional housing fund
11.		Level of drinking water supply ($IS_{3.4}$)	Provision of drinking water	It was taken from the indicators of the regional passport.
12.		Level of gas supply ($IS_{3.5}$)	Indicates the level of gas supply (through gas pipelines).	It was taken from the indicators of the regional passport.
13.		The level of provision of hard roads ($IS_{3.4}$)	Indicates the level of provision of hard roads	$IS_{3.4} = \dfrac{QY}{A_s} * \dfrac{QY}{UY}$ QY-cement concrete, asphalt-concrete, black-surfaced roads UY-the length of public highways
14.	Potential for investment activity (IS_4)	total investment volume	It shows the volume of total investments per 1000 inhabitants	$IS_{4.1}$ = IH- the total volume of investments

No.				
15.		Percentage of total investments	It shows the share of regional investments in the region	$IS_{4.2}=$ IH_h- The volume of total investments in the region IH_h- The volume of total investments of the province
16.		Volume of foreign investments and loans per 1000 inhabitants	It shows the volume of foreign investments and loans per 1000 inhabitants	$IS_{4.3}=$ XI- volume of foreign investment and loans A_s - population number
17.		Share of foreign investments and loans	It shows the share of foreign investments and loans in the region	$IS_{4.4}=$ XI_h- The volume of foreign investment and loans of the region XI_h- The volume of regional foreign investment and loans
18.	Foreign economic activity potential (IS_5)	export volume	It shows the volume of exports per 1000 inhabitants	$IS_{5.1}=$ EH- export volume A_s – population number
19.		Export share	It shows the share of regional exports in the region	$IS_{5.2}=$ XI_h- Export volume of the region XI_h- Regional export volume
20.		import volume	It shows the volume of imports per 1000 inhabitants	$IS_{5.3}=$ IH- import volume A_s – population number
21.		Import share	It shows the share of regional imports in the region	$IS_{5.4}=$ XI_h- import volume of territory XI_h- Regional import volume
	Investment potential of networks			

22.	Industrial production output potential (IS$_6$)	number of operating enterprises	It shows the number of operating enterprises per 1,000 inhabitants	IS$_{6.1}$ = KS- number of operating enterprises A$_s$ –number of population
23.		Share of newly established enterprises	It shows the share of newly established enterprises in the region	IS$_{6.2}$ = YK$_h$- The number of newly established enterprises in the region YK$_h$- the number of newly established enterprises in the province
24.		industrial production volume	It shows the volume of industrial production per 1000 inhabitants	IS$_{6.3}$ = industrial production volume A$_s$ –population number
25.		Share of industrial production volume	It shows the share of industrial production volume in the region	IS$_{6.4}$ = SH$_h$- The volume of industrial production of the region SH$_v$- the volume of industrial production of the region
26.		volume of production of non-food products	It shows the volume of production of non-food products per 1000 inhabitants	IS$_{6.5}$ = volume of production of non-food products A$_s$ – population number
27.		Share of production of non-food products	It shows the regional share of production of non-food products in the area	IS$_{6.6}$ = volume of production of non-food products in the region production volume

				of non-food products throughout the region
28.		food production volume	It shows the volume of food production per 1000 inhabitants	$IS_{6.7} =$ food production volume A_s – population number
29.		Share of food production	It shows the regional share of food production volume in the area	$IS_{6.8} =$ volume of production of food products in the region the volume of production of food products throughout the region
30.	Capacity of the service sector (IS_7)	Volume of services	It shows the volume of services per 1000 inhabitants	$IS_{7.1} =$ Area services volume A_s – population number
31.		Volume of services	The area shows the share of the volume of services in the region	$IS_{7.2} =$ SH_h- Volume of regional services SH_v- the volume of services of the province
32.	The potential of the agricultural sector (IS_8)	The volume of products (services) of agriculture, forestry and fisheries	It shows the volume of products (services) of agriculture, forestry and fisheries per 1000 inhabitants.	$IS_{8.1} =$ the volume of products (services) of agriculture, forestry and fisheries of territory A_s –population number
33.		Share of products (services) of agriculture, forestry and fisheries	It shows the share of agricultural, forestry and fishery products (services) in the region.	$IS_{8.2} =$ SH_h- Area volume of products (services) of agriculture, forestry and

			fisheries SH_v- the volume of products (services) of agriculture, forestry and fisheries throughout region
34.	The potential of the tourism sector (IS_9)	Share of cultural heritage objects	It shows the share of cultural heritage sites in the region	$IS_{9.1} =$ SH_h- Area services volume SH_v- the volume of services of the region
35.		Share of cultural heritage objects visited by tourists	It shows the share of areal cultural heritage objects visited by tourists in the region	$IS_{9.2} =$ ST_h- The number of areal cultural heritage objects visited by tourists ST_v- The number of cultural heritage objects of the region visited by tourists
36.		Share of hotels and similar accommodation facilities (objects).	It shows the share of areal hotels and similar accommodation facilities (objects) in the region	$IS_{7.2} =$ MS_h- The number of hotels and similar means of accommodation (objects) in the area MS_v- the number of hotels and similar means of accommodation (objects) in the region
37.		The share of organizations that have implemented tourist activities	It shows the share of areal organizations that have implemented touristic activities in the region	$IS_{7.2} =$ TT_h- Number of organizations that have carried out tourist activities in the region TT_v- the number of organizations that have carried

				out tourist activities in the province
38.	Innovation activity capacity (IS_{10})	The share of organizations that have introduced innovations	It shows the share of areal organizations that introduced innovations in the region	$IS_{7.2} =$ SH_h- the volume of areal services SH_v- the volume of regional services
39.		Share of technological innovations (in unit).	Hudud texnologik innovatsiyalar sonining viloyatdagi ulushini ko'rsatadi It shows the share of areal technological innovations in the region	$IS_{7.2} =$ SH_h- the volume of areal services SH_v- the volume of regional services
Identifying investment risks				
40.	economic risks (IX_1)	Death rate per 1000 population	It is calculated by dividing the total number of deaths in the reporting year by the average number of permanent residents in the reporting year and multiplying by 1000.	$IX_{1.1}$ It is given in the data of the Statistics Department of Bukhara Region
41.		Unemployment rate	It shows the percentage of the number of the unemployed in relation to the total number of the working-age population	$IX_{1.2}$It is given in the data of the Statistics Department of Bukhara Region
42.		Demographic load factor	It reflects the number of disabled people per 1000 people of working age.	$IX_{1.3} =$ those of retirement age The number of people from 0 to 15 years old
43.	financial risks (IX_2)	Share of damaged	The share of organizations that	$IX_{2.1}=$

		enterprises	ended the year with a loss in the total number of organizations conducting business activities	number of organizations that ended the year with a loss total number of organizations conducting business activities
44.		Share of liquidated enterprises	Share of liquidated enterprises compared to operating enterprises	$IR_{2.2}=$ TK- liquidated enterprises FKK- the number of operating enterprises
45.	criminal risks (IX_3)	crime rate	Number of crimes per 10,000 people	$IR_{3.1}=$ J-the number of crimes
46.	Ecological risks (IX_4)	The percentage of pollutants released into the atmosphere	Hudud atmosferaga chiqarilgan ifloslantiruvchi moddalarining viloyatdagi ulushini ko'rsatadi The area shows the share of pollutants released into the atmosphere in the region	$IX_{4.1} = \dfrac{Ach_h}{Ach_v}$ Pollutants released into the atmosphere in the area Pollutants released into the atmosphere in the region

According to the system for evaluating the investment attractiveness of regions (Table 1), cities and districts are calculated according to 46 indicators. In order to have complete information about the investment attractiveness of the region, the investment potential and investment risk of its cities and districts are determined. Using the formulas given in the table, each indicator is calculated and the investment attractiveness of the area is assessed based on the results.

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