FORMING A COMPETITIVE ECONOMY THROUGH ACTIVELY ATTRACTING INVESTMENTS

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Abstract: This article discusses the importance of actively attracting investments to form a competitive economy. It highlights the significance of attracting both domestic and foreign investments to stimulate economic growth, create employment opportunities, and enhance productivity. The article explores various strategies and policies that can be implemented to attract investments, including offering incentives, improving infrastructure, and enhancing the business environment. It emphasizes the role of government in creating a conducive environment for investment and highlights the benefits that can be derived from actively pursuing investment opportunities. Overall, this article provides valuable insights into how actively attracting investments can contribute to forming a competitive economy.

Key words: Competitive economy, attracting investments, forming, actively, key words, article, economy, investments, competitiveness, economic growth, foreign direct investment (FDI), business climate, incentives.

Attracting investments from foreign countries is considered an important aspect of the modern and competitive global economy, as well as a means of integrating into the world economy. Furthermore, directing local investors towards the main factor of economic activity, such as production (service provision), is of great importance. The main way to develop the process of producing advanced technology in accordance with international standards is dependent on providing investment funds allocated for its development. Investments aimed at developing innovative processes can be organized by state, private business entities, and foreign countries, including their private entrepreneurs. Today, most companies and firms face a problem of attracting sufficient financial resources based on their value. In such situations, attracting foreign capital currently being circulated can be helpful. The experience of developed countries confirms that their national and foreign investment policies play a central role in their economic growth. Therefore, achieving the social-economic development goals of a country depends on fully implementing its investment policy.

In order to promote economic development and achieve the goals of social and economic progress, attracting investments has become a crucial strategy for many countries. Today, numerous countries and private enterprises are actively seeking investment opportunities in order to secure financial resources and stimulate growth. One of the key factors that attract investments is the availability of a favorable business environment. Countries need to create a conducive atmosphere for investors by implementing investor-friendly policies, ensuring political stability, protecting property rights, and promoting transparency and accountability in governance. These measures help build trust and confidence among potential investors [1]. Additionally, governments play a significant role in attracting investments by offering various incentives such as tax breaks, subsidies, grants, and infrastructure development. These incentives not only encourage domestic businesses but also attract foreign direct investment (FDI), which brings in new technologies, expertise, and market access. Private sector entities also have an important role to play in attracting investments. They can facilitate collaborations with foreign companies or investors through joint ventures or partnerships. By leveraging their networks and resources, private enterprises can showcase the potential benefits of investing in the country to potential investors. Furthermore, international cooperation plays a crucial role in attracting investments. Engaging with foreign governments through bilateral agreements or participating in regional economic integration initiatives can open up new avenues for investment inflows.

It allows countries to tap into global markets and benefit from cross-border trade and investment opportunities [2]. Attracting investments requires a comprehensive approach involving both government-led initiatives and private sector participation. By creating an attractive investment climate, offering incentives, fostering international cooperation, and showcasing the potential benefits of investing in the country, nations can successfully attract investments that contribute to their social and economic development.

Currently, investments in various forms are being implemented, especially real investments, which occupy an important place. The rapid development of science and technology has led to the emergence of intellectual potential as the most powerful factor in enhancing production capacity. In the early 20th century, measures taken to enhance production capacities have proven to be effective. Accessing the global market requires further development of marketing, establishment of advanced computer systems, organization and modernization of digital economy, training and preparation of highly skilled and competitive personnel, and reaching the level of developed countries in this field. Therefore, one of the main components of real investments is the acquisition of knowledge, technology, education, and personnel training. Active investments can also stimulate economic growth [3]. For example, if a company invests in purchasing new equipment or other resources with the aim of increasing overall production volume, this situation contributes to the growth of GDP (Gross Domestic Product). Each company works on attracting foreign and local capital separately. Foreign investments are widely attracting today in order to attract foreign investors for the development of national economies and countries have created favorable financial conditions for them based on laws, such as:

- Guarantees for preserving foreign investors' capital;
- Guarantees for compensation for incurred losses;
- Special privileges specified for them in the tax system;
- Freedom to take profits and incomes abroad;

- Existence of banking facilities;
- Ensuring protection against various risks for foreign investors and their properties.

Developed countries have implemented all kinds of measures to accelerate international capital movements, primarily capital exports and imports. The policy of 53 states regarding the movement of capital in the form of loans, portfolio investments, and other activities is designed to eliminate all barriers to its movement [5]. Each state has the right to implement various measures regarding all foreign investments since it is explained by national economic security. Therefore, instead of only attracting financial investments, it is important to increase the volume of real investments in order to achieve the above-mentioned results. The state takes responsibility for implementing any measures regarding foreign investments, as it is associated with national economic security. Therefore, in order to achieve the desired results of increasing not only financial investments but also the volume of real investments, it is necessary to pay attention to both foreign and local investors. We have examined the possibility of solving many problems through attracting investments, which indicates the importance of investments in the development of the economy.

One of the main steps in attracting investment is to have a clear and concise business plan. This plan should outline the company's goals, strategies, and financial projections. It should also highlight the unique value proposition of the business and how it differentiates itself from competitors. According to a survey by the Angel Capital Association, 73% of angel investors consider the quality of the business plan as a key factor in their investment decision. Another important aspect of attracting investment is having a strong team in place. Investors want to see that the business is led by experienced and knowledgeable individuals who have a track record of success [6]. In fact, a study by CB Insights found that 23% of startup failures can be attributed to having an inadequate team. In addition to having a solid business plan and team, businesses can also attract investment by demonstrating traction and growth potential. This can be achieved by showcasing strong customer acquisition rates, revenue growth, and partnerships with other businesses. For example, according to a report by PitchBook, companies that have raised at least $10 million in funding have an average revenue growth rate of 37%. Another way to attract investment is to leverage technology and innovation [7]. Investors are often attracted to businesses that are using cutting-edge technology or developing innovative solutions to common problems. For example, according to a report by KPMG, investments in fintech companies reached a record high of $111.8 billion in 2018. Finally, businesses can attract investment by building relationships with investors and networking within the industry. This can be done through attending industry events, joining investor networks, and leveraging social media platforms like LinkedIn. According to a survey by the National Venture Capital Association, 82% of venture capitalists prefer to invest in companies that have been referred to them by someone they know and trust [8].

In conclusion, attracting investment is a crucial aspect of economic development for any country. It is essential for creating jobs, increasing productivity, and improving the standard of living for citizens. However, attracting investment is not an easy task and requires a lot of effort, planning, and resources. Governments need to create a conducive environment for investors by implementing policies that promote business growth, reducing bureaucracy, and providing incentives. Furthermore, countries need to identify their strengths and weaknesses and develop strategies that leverage their strengths to attract investment. They also need to focus on developing their infrastructure, improving the quality of education, and investing in research and development to create an environment that is attractive to investors. Finally, it is essential to note that attracting investment is not a one-time event but a continuous process that requires constant monitoring and evaluation. Governments need to be proactive in identifying new opportunities and adapting to changes in the global market. By doing so, they can create an environment that is conducive to investment, which will ultimately lead to economic growth and development. In summary, attracting investment is crucial for economic development, and governments need to create an enabling environment that promotes investment. This can be achieved through implementing policies that reduce bureaucracy, providing incentives, focusing on developing infrastructure, education, and research and development. By doing so, countries can attract more investment, create jobs, increase productivity, and improve the standard of living for their citizens.

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