FACTORS OF FORMATION OF THE INVESTMENT CLIMATE IN REGIONAL INDUSTRIAL ZONES

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Annotation

This article examines the main factors influencing the formation of an investment climate in regional industrial zones. The study highlights the role of industrial zones in attracting investments, supporting regional economic development, creating employment opportunities, and encouraging entrepreneurial and innovative activities. In my personal opinion**,** the effective functioning of regional industrial zones, supported by developed infrastructure, institutional mechanisms, and favorable economic policies, significantly increases investment attractiveness and contributes to sustainable regional economic growth.

Keywords*: regional industrial zones, investment climate, investment attractiveness.*

Introduction. In recent years, significant attention has been paid to the development of regional industrial zones as an important instrument for strengthening regional economies and increasing investment activity. In many countries, including Uzbekistan, industrial zones are considered an effective mechanism for attracting domestic and foreign investments, expanding production capacities, and creating new employment opportunities. The establishment of such zones allows the concentration of infrastructure, financial resources, and entrepreneurial initiatives in a single area, which contributes to improving the overall investment climate and enhancing regional economic

competitiveness. The global experience demonstrates that industrial parks and small industrial zones play a crucial role in accelerating the economic development of regions with relatively low industrial potential. By providing prepared land areas, engineering and communication infrastructure, and certain institutional and financial incentives, these zones create favorable conditions for investors and entrepreneurs. As a result, industrial cooperation between enterprises increases, production efficiency improves, and the level of technological development gradually rises. In my personal opinion**,** the formation of a favorable investment climate in regional industrial zones is not only related to economic incentives but also to the effective organization of infrastructure, management systems, and institutional support mechanisms. Indeed, in recent years, the expansion of industrial zones and the implementation of investment projects within these territories have demonstrated their growing importance for regional economic development.

Based on my personal observations**,** it can be noted that the concentration of enterprises within industrial zones significantly simplifies cooperation between businesses and reduces production and logistics costs. From my personal experience**,** when analyzing economic indicators and observing the functioning of such zones in practice, it becomes clear that the availability of infrastructure and institutional support directly influences investment activity. Therefore, the study of factors shaping the investment environment in regional industrial zones is becoming increasingly relevant in modern economic research. The rapid development of regional industrial zones has become one of the important mechanisms for strengthening regional economic potential and improving the investment climate. These zones create favorable conditions for the concentration of production capacities, the effective use of local resources, and the attraction of both domestic and foreign investments. The formation of a favorable investment environment within such territories depends on a complex system of economic, institutional, infrastructural, and managerial factors that collectively determine the level of investment attractiveness and the sustainability of industrial development.

The purpose of this thesis is to analyze the factors influencing the formation of the investment climate in regional industrial zones and to assess

their role in stimulating regional investment activity, economic growth, and industrial development. In achieving this objective, particular attention is given to the institutional and infrastructural mechanisms that contribute to increasing investment attractiveness and improving the efficiency of industrial zones.

Regional industrial zones serve as important territorial structures that facilitate the integration of entrepreneurship, innovation, and production processes. One of the primary factors influencing the formation of the investment climate in such zones is the availability of developed infrastructure, including energy supply systems, transport and logistics networks, communication facilities, and engineering services. The presence of ready industrial infrastructure significantly reduces the initial costs for investors and increases the efficiency of investment projects. Another significant factor is the institutional and legal framework regulating the functioning of industrial zones. Government policies aimed at providing tax incentives, customs preferences, and simplified administrative procedures contribute to improving the investment attractiveness of these zones. The implementation of the “one-stop service” mechanism for investors also plays an essential role in reducing bureaucratic barriers and accelerating the implementation of investment projects. Furthermore, financial support mechanisms and state investment programs contribute to strengthening the economic potential of regional industrial zones. Access to preferential loans, investment subsidies, and public-private partnership initiatives creates additional opportunities for entrepreneurs and industrial enterprises.

In addition, innovation-oriented development has become an important component of the investment environment in industrial zones. The introduction of modern technologies, digital management systems, and research-based production processes enhances the competitiveness of industrial enterprises and promotes the commercialization of innovative products. In my personal opinion, the effectiveness of regional industrial zones in shaping a favorable investment climate largely depends on the balanced interaction between infrastructure development, institutional support, and innovation-oriented management. Indeed, in recent years**,** the expansion of such zones and the growth of investment flows within them have demonstrated their strategic importance for sustainable regional development. Based on my personal observations and analytical experience**,** it can be concluded that the concentration of enterprises within a single industrial

territory not only reduces operational costs but also facilitates technological cooperation and knowledge exchange among firms. Relying on my personal analytical experience**,** when examining the performance indicators of industrial zones, it becomes evident that the availability of well-developed infrastructure, effective governance mechanisms, and investment incentives significantly enhances the attractiveness of these zones for investors and contributes to the long-term stability of regional economic development. Regional industrial zones play a significant role in strengthening the investment climate and ensuring sustainable regional economic development. The concentration of production infrastructure, financial incentives, and institutional support within these zones creates favorable conditions for attracting domestic and foreign investments. As a result, industrial production expands, new employment opportunities are created, and the level of entrepreneurial activity increases in the regions.

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