



TASHKENT ECONOMIC REGION INVESTMENT POTENTIAL GEOGRAPHICAL ANALYSIS

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Annotation: this article provides a comprehensive analysis of the investment potential of the Tashkent economic region from a geographical point of view. The area's natural resources, economic infrastructure, transport and logistics capabilities, and demographic factors have been studied as key factors affecting investment attractiveness. The level of development of industrial sectors and the service sector was also assessed in a territorial context. The study shows the territorial differences in attracting investments and ways to optimize them. As a result, the importance of a geographical approach in ensuring the sustainable development of an economic region is justified.

Keywords: investment potential, economic region, Tashkent, geographical analysis, Territorial Development, Infrastructure, transport-Logistics, Industry, Service, economic factors, natural resources, demography, investment attractiveness, territorial differences, sustainable development, economic integration, regional policy, capital flow.

The Tashkent Economic Region has a special strategic importance in the economy of Uzbekistan, as the country's political, economic and financial center, and is the region that attracts the majority of investment flows. This raion includes the city of Tashkent and The Tashkent region, and they stand out as one of the most active regions of the Republican investment climate. The formation of investment potential is associated with many geographical factors, which are important determinants that determine the level of economic development of the territory.

First of all, the geographical location factor is one of the main factors determining the investment attractiveness of the Tashkent economic region. This



region is located in the central part of Central Asia, in the area where important transport routes intersect. The city of Tashkent operates as an international level transport node through which road, rail and air transport routes pass. In particular, the presence of Tashkent–Andijan, Tashkent–Samarkand–Bukhara routes and an international airport will provide favorable logistics opportunities for investors. According to statistics, about 35–40 percent of the foreign direct investment attracted to Uzbekistan falls on the Tashkent economic region, which clearly demonstrates the geographical advantage of the region.

The second important factor is the development of transport and logistics infrastructure. The density of highways in the Tashkent economic region is higher than the national average, and logistics centers, warehouses and industrial zones have developed. Angren logistics center, Tashkent International Logistics Hub and free economic zones (Angren, Chirchiq) serve to accelerate investment activities in the area. This infrastructure makes it possible to quickly carry out Export-import Operations. As a result, production costs for investors are reduced and the efficiency of bringing products to market is increased.

The third factor is labor resources and demographic potential. The Tashkent economic region occupies one of the leading positions in the country in terms of population and labor resources. The population of the city of Tashkent is more than 3 million people, highly qualified specialists, scientific personnel and technical personnel are concentrated. The presence of higher education institutions, research institutes and innovation centers creates an important advantage for investors. According to statistics, about 30 percent of the country's highly educated personnel work in the Tashkent region. This will create the necessary conditions for the development of high-tech manufacturing and service sectors.

The level of urbanization also has a direct impact on investment potential. Tashkent economic region is the most urbanized region in Uzbekistan, with an urbanization rate above 70%. This leads to the development of infrastructure, the breadth of the volume of the consumer market and the development of the service sector. The development of the urban environment creates a favorable business environment for investors. In particular, shopping centers, the banking and financial system, and information technology infrastructure are highly developed.

Another important factor is natural resources and industrial potential. Tashkent region is a region rich in minerals, containing coal (Angren Basin), non-ferrous metal ores, raw materials of construction. It is on the basis of resources that industrial clusters are formed, which play an important role in attracting investments. For example, the Angren coalfield and adjacent energy complexes increase the industrial potential of the area. In addition, the chemical industry is developed in the city of



Chirchik, and the metallurgical industry is developed in the Almalyk region, which serves as the basis for the implementation of large investment projects.

Energy infrastructure is also one of the important geographical factors. Tashkent economic region is one of the leading regions for the production and distribution of electricity. The presence of thermal power plants and hydropower facilities ensures stable operation of industrial enterprises. According to statistics, a significant part of the electricity generated in the Republic corresponds to the contribution of this area. This creates favorable conditions for investors in terms of energy supply.

Market capacity and consumption demand are also important factors. The volume of consumer market in Tashkent City and its suburbs is the largest, and domestic demand for products produced here is high. This situation creates additional convenience for investors in the implementation of the product. In particular, investments in the service, trade and construction sectors are growing at a high rate.

In addition, the institutional and innovative environment is also an important component of investment potential. Free economic zones, technoparks, and innovation centers operate in the Tashkent economic region. Areas such as the "Technopark" yashnabad", IT Park are playing an important role in attracting high-tech investments. Startup projects, Information Technology and the digital economy are developing here.

In conclusion, the investment potential of the Tashkent economic region is determined by its favorable geographical location, developed transport and logistics system, rich labor resources, high level of urbanization, natural resource base, and developed infrastructure. These factors harmoniously make the territory the most attractive investment center of Uzbekistan. As a result, the Tashkent economic region is expected to function as a locomotive of the country's economic growth and remain a leading investment attraction area in the future.

The Tashkent Economic Region, as the largest economic center of Uzbekistan, occupies a leading position in the distribution of investment flows in the regional and sectoral context. Investment activities in the area are highly diversified, with significant differences in industry, service, agriculture and infrastructure cross-section. The distribution of investments between the city of Tashkent and The Tashkent region also reflects regional differentiation.

First of all, the city of Tashkent stands out as the center of investment activities. In the territory of the capital, investments in the service sector, the financial and banking system, trade and information technology sectors predominate. According to statistics, about 30–35 percent of total investments attracted to Uzbekistan are



accounted for by the city of Tashkent. In particular, the IT sector, financial services, and real estate sectors are leading in terms of foreign direct investment (FDI).

The establishment of IT Park, Yashnabad Technopark, business centers, and innovation zones in Tashkent is helping to attract high-tech investments. For example, the number of IT Park residents has increased several times in recent years, with the volume of exported IT services approaching US \$ 300 million in 2023. This suggests that the city of Tashkent is taking shape as a center of digital economy.

In addition, the service and trade sector is one of the main areas of investment in the city of Tashkent. As a result of the development of shopping centers, hotels, logistics companies and transport services, the volume of investments in this network is increasing every year. The large population and high purchasing power of the city's residents create ample opportunities for investors.

Tashkent region, on the other hand, stands out as a center of industrial and production investments. The province has industrial centers such as Angren, Olmalıq, Chirchiq, Bekabad, specializing in heavy industry, energy, chemical and metallurgical sectors. According to statistics, about 60 percent of investments in the region are in the industrial sector.

For example, large investment projects implemented within the Almalyk Mining and Metallurgical Combine (AMMC) are making a significant contribution to the development of non-ferrous metallurgy. And in the Angren Area, coal industry and energy projects are developing, and new thermal power plants are being built. These projects not only develop the territorial economy, but also increase the export potential.

In addition, free economic zones (FEZs) established in the Tashkent region are playing an important role in accelerating investment activity. The production of Mechanical Engineering, Electrical Engineering, Pharmaceuticals and building materials has been established in the regions of Angren and Chirchiq EEZ. Tax and Customs benefits in these zones create favorable conditions for investors. As a result, foreign investment is increasing significantly.

Investments in the agricultural sector are concentrated mainly in the Tashkent region, focusing on intensive farming, greenhouse farms, and livestock clusters. According to statistics, investments in greenhouse farms in the region have increased by 2 times over the past 5 years. This serves to increase the production of exportable products.

In addition, investments in infrastructure projects play an important role. Large projects are being implemented in the Tashkent economic region to build roads, modernize the transport system, and develop energy and utilities. For example, new



metro lines, highway reconstruction, and logistics center expansion projects in Tashkent are strengthening regional integration.

In regional terms, investments are unevenly distributed, the main part is concentrated in the city of Tashkent and industrialized districts. The areas of Qibray, Zangiota, Chirchiq, Angren and Olmaliq are zones with high investment activity. At the same time, investment activity is relatively low in some remote districts, which creates regional disparities.

Another important aspect is inter – network integration and clustering processes. The interdependence between industry, agriculture and service sectors increases the efficiency of investment. For example, the agricultural processing industry is developing, integrated with the logistics and trade sectors. This extends the ability to generate additional value.

In conclusion, investment activities in the Tashkent economic region are highly differentiated, both territorial and sectoral. While the service and innovation sectors prevail in the city of Tashkent, industrial and production areas are the leaders in the Tashkent region. Agricultural and infrastructure projects are an important component of the overall investment system. These regional and sectoral characteristics strengthen the leading position of the Tashkent economic region in the economy of Uzbekistan and further increase its investment attractiveness.

Tashkent economic region is the leading region in attracting investment as a “Lokomotiv” of the economy of Uzbekistan. However, despite the high potential of the territory, it is necessary to eliminate a number of problems in order to further accelerate investment processes and ensure sustainable development. A thorough analysis of these issues and the identification of promising areas are important in determining the future economic development strategy of the region.

First of all, the problem of territorial imbalance is considered relevant. In the Tashkent economic region, the main part of investments is concentrated in the city of Tashkent and in such areas as industrialized centers – Olmalik, Angren, Chirchik. According to statistics, 65–70 percent of attracted investments fall into these areas. At the same time, investment activity is relatively low in the remote and rural districts of the region, which creates regional disparities. As a result, differences in the level of economic development are increasing, leading to socio-economic imbalances between regions.

The second major problem is the presence of areas with insufficient infrastructure development. Although transportation, energy and communications systems have developed in Tashkent City and its suburbs, some districts lack adequate infrastructure. Disruptions in power supply, poor quality of road networks,



and limited logistics services create certain barriers for investors. This negatively affects the territorial expansion of investment projects.

Another pressing issue is certain shortcomings in the institutional and legal environment. While significant reforms have been made to improve the investment climate in recent years, some bureaucratic obstacles, complex permitting processes, and insufficient transparency of information can slow down investor activity. In particular, the processes of land allocation, obtaining construction permits, and connecting to infrastructure are time-consuming in some cases.

Competitiveness and the level of innovative development are also important challenges. Although the Tashkent economic region has high potential, the level of implementation of innovative technologies in some sectors is insufficient. According to statistics, the share of high-tech products still remains at a low level in total industrial production. This limits the area's competitiveness in the global investment market.

In addition, there are also personnel qualifications and labor market problems. Although the Tashkent area is equipped with highly qualified personnel, there is not enough ready-made specialists to manage modern technologies and implement innovative projects. This affects the effectiveness of investment projects.

At the same time, despite the existing problems, there are great prospects for developing the investment potential of the Tashkent economic region. First of all, it is necessary to direct investments to less developed districts in order to balance regional development. This will allow for the creation of new industrial zones, infrastructure development, and job creation.

Secondly, the modernization of infrastructure is one of the most important areas of perspective. The investment environment will be further improved by the reconstruction of Transport routes, the expansion of logistics centers, the renovation of the energy system. For example, new highway and railway projects will increase economic integration between regions.

The third important area is the development of digital economy and innovation. It is possible to attract high-tech investments by expanding the park, technoparks and startup ecosystem. This increases the competitiveness of the area in the international investment space.

It is also important to expand the attraction of foreign investment. It is possible to create more favorable conditions for investors through tax incentives, expansion of the activities of Free Economic Zones and the development of international cooperation. According to statistical forecasts, the volume of foreign investments attracted to the Tashkent economic region is expected to increase by an average of 10–15 percent per year in the future.



In addition, the prospects for implementing the principles of sustainable development and a “green economy” are also important. By increasing energy efficiency, using renewable energy sources, and introducing environmentally friendly production technologies, it is possible to ensure the long-term effectiveness of investment projects.

In conclusion, the process of developing the investment potential of the Tashkent economic region is characterized by a combination of problems and opportunities. It is possible to further improve the investment environment by reducing regional imbalance, developing infrastructure, deepening institutional reforms and the widespread introduction of innovative technologies. This will serve to make the Tashkent economic region a leading investment center not only nationally, but also regionally.

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