

INNOVATION SCIENCE AND TECHNOLOGY



Scopus || Electronic journal specializing in Scopus

ISSUE 1



Acceptance of papers **January, 2026**



**Acceptance of
papers**

Published monthly



Topics

economics,
technology, social
sciences

ISSN 3060-5229



Digital
Object
Identifier



Visit the website
t.me/scopus_IST2100

**EDITOR-IN-CHIEF:**

Mirzaliev Sanjar Makhmatjon ugli

DEPUTY EDITOR-IN-CHIEF:

Makhmudov Nosir Makhmudovich
DSc., Prof., Academician

DEPUTY EDITOR-IN-CHIEF:

Ochilov Bobur Bakhtiyor ugli – Senior
lecturer at TSUI

THE SCIENTIFIC-POPULAR ELECTRONIC
JOURNAL **"INNOVATION SCIENCE AND
TECHNOLOGY"** HAS BEEN REGISTERED
UNDER THE NUMBER **C-5669633** BY THE
AGENCY FOR INFORMATION AND MASS
COMMUNICATIONS (AOKA) OF THE
REPUBLIC OF UZBEKISTAN, EFFECTIVE
FROM OCTOBER 9, 2024.

CONTACTS

Phone: **+998 50 737 87 88**

Website: <https://ist-journal.uz>

Email: innovationist2025@gmail.com

The scientific electronic journal "Innovation Science and Technology" has been included in the list of scientific publications recommended for the publication of main scientific results of dissertations for the award of PhD and DSc degrees in economics and technical sciences, in accordance with the Resolution No. 370 of the Presidium of the Higher Attestation Commission of the Republic of Uzbekistan, dated May 8, 2025.

Electronic publication, Issue 1. 163 pages.
Approved for publication on January, 2026.

Editorial board:

Sharipov Kongiratbay Avezimbetovich,
Doctor of Technical Sciences (DSc), Professor



Abdurakhmanova Gulnora Kalandarovna, Doctor of
Economic Sciences (DSc), Professor



Cham Tat Huei,
Doctor of Philosophy (PhD), Professor (Malaysia)



Muhammad Imran Sadiq
Doctor of Philosophy in Economics (PhD), Professor,
Malaysia



Ahmed Aziz Ismail
Doctor of Technical Sciences (DSc),
Professor (Egypt)



Lee Chin
Doctor of Philosophy in Economics (PhD), (Malaysia)



Asongu SImplice
Doctor of Philosophy in Economics (PhD), Cameroon



Rui Dang
Doctor of Chemistry (DSc), Professor, China



Zahoor Ahmed
Doctor of Philosophy in Economics (PhD), Turkey



Shujaat Abbas
Doctor of Philosophy in Economics (PhD), Russia



Tina A Coffelt
Doctor of Philosophy in Educational Sciences (PhD),
USA



Abdikarimova Dinara Rustamxanovna
Doctor of Economic Sciences (DSc), Professor

Kurbonbekova Mohichehra Turobjonovna
Doctor of Economic Sciences (DSc), Professor

Alimardonov Ilkhom Muzrabshokovich
Doctor of Economic Sciences (DSc), Professor



Razakova Barno Sayfiyevna
Doctor of Philosophy in Economics (PhD)



Khasanov Sarvar Ulugbek ugli
Doctor of Philosophy in Economics (PhD)

CONTENTS

BRIEF FEEDBACK ON “AGAT CREDIT” MICROFINANCE ORGANIZATION BASED ON THE REPORT OF “KAPDEPO” INVESTMENT COMPANY: CAVEATS FOR LENDERS (BONDHOLDERS)	16
Abduganiev Abdulaziz Alisher ugli	
IMPLEMENTATION OF EU BEST AGRICULTURAL TRADE PRACTICES IN UZBEKISTAN.....	20
Khulkar Karimova Rakhmanali qizi	
THE ROLE OF FOREIGN DIRECT INVESTMENT IN INCREASING SERVICE EXPORTS OF UZBEKISTAN	26
Jamshid Mirzakhmedov	
THE ROLE AND IMPORTANCE OF FINANCIAL MARKETS IN ECONOMIC DEVELOPMENT	30
Baymanova Mavlyuda Djuraevna, Abdullaeva Shohista, Ubaydullaeva Gulchehra Erkabaevna	
КЛИНИЧЕСКАЯ ОЦЕНКА СОСТОЯНИЯ МЕСТНЫХ ИММУННЫХ МЕХАНИЗМОВ ПОЛОСТИ РТА У ПАЦИЕНТОВ НА ЭТАПАХ ОРТОДОНТИЧЕСКОГО ЛЕЧЕНИЯ	36
Рахимбердыев Рустам Абдунасирович, Сайфулаева Азиза Анваровна	
INTEGRATING AI-BASED CUSTOMER ANALYTICS INTO INNOVATIVE RETAIL MARKETING STRATEGIES	40
Ostonaqulova Gulsaraxon Muhammadyoqub qizi	
FINANCIAL STIMULATION OF INNOVATIVE ACTIVITIES OF ENTERPRISES THROUGH INVESTMENTS	48
Bahriddinov Nodirbek Zamirdinovich	
DIGITAL DENTISTRY: LITERATURE REVIEW	52
Tursunov Begzod Sherzodovich, Zokirova Nodira Sobitovna	
THE LATEST ADHESIVE TECHNOLOGIES IN DENTISTRY	56
Rahimberdiyev Rustam Abdunasirovich, Chinibayeva Ibagul Sarsenbayevna	
ENSURING THE ACCEPTABILITY OF QUANTITATIVE AND QUALITATIVE INDICATORS IN THE EFFECTIVE ORGANIZATION OF HOUSING FUNDS IN KHOREZM	61
Otajonov Tohirjon Khojanazar o'g'li	
WAYS TO IMPROVE CUSTOMS ADMINISTRATION IN THE REPUBLIC OF UZBEKISTAN.....	67
Usmonova Dilfuza Ilhomovna	
CLINICAL ASSESSMENT OF THE STATE OF LOCAL IMMUNE MECHANISMS OF THE ORAL CAVITY IN PATIENTS AT DIFFERENT STAGES OF ORTHODONTIC TREATMENT	72
Rakhimberdiyev Rustam Abdunasirovich, Saifulaeva Aziza Anvarovna	
IMPROVING THE ALGORITHM FOR CONTROLLING THE CUSTOMS TRANSIT INFORMATION SYSTEM E-TRANSIT OF THE REPUBLIC OF UZBEKISTAN	76
Musayeva Shoirazimovna	
DEVELOPMENT TRENDS OF THE AUTOMOTIVE BUSINESS IN UZBEKISTAN	82
Saidov Dilshodbek Razzakovich	
INTEGRATION OF MARKETING STRATEGIES IN RETAIL TRADE ACTIVITIES.....	87
Akramov Toxir Abdiraxmanovich	
CHALLENGES OF ADOPTING ISLAMIC FINANCE WITHIN CONVENTIONAL BANKING SYSTEMS	91
Safarov Shuhrat Ismatovich	
CRM SYSTEMS AND THEIR IMPACT ON THE RESULTS OF MARKETING STRATEGY IN DISTRIBUTION COMPANIES	95
Jamoliddinov Fakhriyor Shodiyor o'g'li	
LEXICAL-SEMANTIC ARCHITECTURE OF MODERN WORDNET SYSTEMS	101
Aynura Axmedova	
METHODOLOGY FOR ANALYZING THE EFFECTIVENESS OF INNOVATIVE PROCESSES AT ENTERPRISES.....	108
Kurbanova Shakhnoza Yuldashbayevna	
COMPANY VALUATION IN MERGERS AND ACQUISITIONS: A STRATEGIC AND GOVERNANCE-BASED APPROACH	113
Lee Illarion Georgievich	

A REVIEW OF THE LITERATURE ON CAD/CAM TECHNOLOGIES IN DENTAL ECTOPROSTHETICS	118
Tursunov Begzod Sherzodovich, Hazratqulov Asrbek Ulugbek ugli	
TRENDS AND DIFFICULTIES IN THE INTEGRATION OF DIGITAL TECHNOLOGIES IN ORTHOPEDIC DENTISTRY	123
Khojimurodov Burkhon Ravshanovich	
PRIORITY DIRECTIONS FOR IMPROVING THE MECHANISM OF ENHANCING THE ECONOMIC SECURITY LEVEL OF THE KASHKADARYA REGION	127
Tuyev Abdurahmon Yusubopvich	
THE ROLE OF PSYCHOPHYSIOLOGICAL TRAINING OF DRIVERS IN REDUCING ROAD TRAFFIC ACCIDENTS	132
Uralbayev Anvar Ubaydullayevich	
THE ROLE OF SUSTAINABLE DEVELOPMENT PRINCIPLES IN DEVELOPING GREEN MARKETING STRATEGIES FOR ENTERPRISES	135
Sapayev Akhmad Durdibayevich	
MANAGEMENT MODEL OF INFORMATION RESOURCES IN SMALL BUSINESS ENTITIES AND ITS IMPACT ON ECONOMIC EFFICIENCY	140
Yo'ldoshev Nodirbek Ne'matjon o'g'li	
WAYS TO DEVELOP THE INVESTMENT ACTIVITY OF COMMERCIAL BANKS THROUGH THE SECURITIES MARKET	145
Yuldashev Fozil Turapovich	
INTERNATIONAL EXPERIENCE IN THE USE OF CROSS-BORDER REMITTANCES IN THE DEVELOPMENT OF THE NATIONAL ECONOMY	152
Gimranova O. B.	
FREE ECONOMIC ZONES AND FOREIGN INVESTMENT	158
Sheraliyeva Saida Azatovna	

FREE ECONOMIC ZONES AND FOREIGN INVESTMENT

Sheraliyeva Saida Azatovna

Navoi State University

Associate Professor, Department of Economics

Abstract: This article examines the positive and negative factors associated with the operation of free economic zones (FEZs). It is argued that the provision of various tax, customs, and preference benefits often serves as a means of covert subsidization for certain lobby groups, as well as a means of initial capital accumulation. When assessing the impact of FEZs on a country's economic development, it is necessary to consider the presence of a favorable investment climate.

Key words: free economic zones, financial measures, fiscal methods, tax measures, non-financial incentives, offshore zones, investment climate, foreign capital.

Annotatsiya: Ushbu maqolada erkin iqtisodiy zonalar (EIZ) faoliyati bilan bog'liq ijobiy va salbiy omillar ko'rib chiqiladi. Turli soliq, bojxona imtiyozlarini taqdim etish ko'pincha ma'lum lobbi guruhlari uchun yashirin subsidiyalash vositasi, shuningdek, dastlabki kapital to'plash vositasi bo'lib xizmat qilishi ta'kidlanadi. EIZlarning mamlakat iqtisodiy rivojlanishiga ta'sirini baholashda qulay investitsiya muhitining mavjudligini hisobga olish kerak.

Kalit so'zlar: erkin iqtisodiy zonalar, moliyaviy choralar, fiskal usullar, soliq choralari, moliyaviy bo'lmagan rag'batlantirish, ofshor zonalar, investitsiya muhiti, xorijiy kapital.

Аннотация: В статье рассматриваются положительные и отрицательные факторы, связанные с функционированием свободных экономических зон (СЭЗ). Отмечается, что предоставление различных налоговых и таможенных льгот нередко служит скрытым инструментом субсидирования отдельных лоббистских групп, а также средством первоначального накопления капитала. При оценке влияния СЭЗ на экономическое развитие страны необходимо учитывать наличие благоприятного инвестиционного климата.

Ключевые слова: свободные экономические зоны, финансовые меры, фискальные методы, налоговые меры, нефинансовые стимулы, офшорные зоны, инвестиционный климат, иностранный капитал.

INTRODUCTION

The efficient use of natural resources is not a sufficient condition for sustainable economic growth and, in some cases, merely distracts from addressing the core problems of economic development. Therefore, one of the most important objectives remains economic restructuring and the creation of industrial sectors capable of producing high-quality goods that are in strong demand.

The problems that arise in the process of establishing and operating free economic zones (FEZs) are complex and require the resolution of organizational, regulatory, economic, and methodological issues.

Developing scientific and methodological support for selecting regions and candidates for the establishment of FEZs, defining the rules for applying tax and other incentives for resident enterprises, and identifying their potential to enhance operational efficiency make it possible to take more well-founded decisions regarding the feasibility of creating such zones.

Enterprises operating within FEZs can stimulate other economic entities in related sectors and thereby improve the socio-economic situation in regions where FEZs are actively being established.

REVIEW OF LITERATURE ON THE SUBJECT

Scientific research on regional development issues and the role of investment in these processes is highly significant from both theoretical and practical perspectives. When examining the level of research on this topic, the existing literature can be broadly divided into three groups.

The first group includes general methodological works by well-known foreign authors such as K. Marx, M. Weber, J. Habermas, I. Wallerstein, T. Parsons, É. Durkheim, N. Smelser, and R. Swedberg, as well as

works by Russian scholars in economic sociology, including T. I. Zaslavskaya, R. V. Ryvkina, G. N. Sokolova, Yu. V. Veselova, V. V. Radaev, V. I. Verkhovina, I. L. Ryazantsev, M. S. Khalikov, and others. The second group comprises studies on regional development problems by authors such as N. N. Nekrasov, A. G. Granberg, T. G. Morozova, V. S. Bilchak, V. F. Zakharov, Yu. N. Gladkiy, G. V. Cherkashin, N. I. Larin, A. A. Kiselnikova, V. G. Ignatova, V. I. Butov, and others. The third group includes specialists studying the investment climate in regions, mainly economists and sociologists, such as V. N. Leksin, A. N. Shvetsov, V. V. Kotilko, I. I. Sanin, V. P. Oreshin, and others.

Uzbek economists Ermakhmudov, G. A. Melibayeva, and A. A. Isadjanova have examined the role of free economic zones in attracting foreign investment, drawing on global economic practices, international experience, international standards, and the methods used to regulate them.

RESEARCH METHODOLOGY

The article employs a systems approach, comparative analysis, generalization, structural-functional analysis, and sociological analysis methods.

Analysis and results

A universal set of measures is applied to attract foreign capital, including tax, financial, and non-financial (organizational) incentives. Despite certain differences in approaches to assessing economic measures that affect the interests of foreign investors, their essence lies in creating more favorable conditions in free economic zones (FEZs) compared to other territories.

In most FEZs operating worldwide, financial and non-financial incentives and conditions for investors include the following:

- exemption from customs duties and other charges on equipment, raw materials, and components imported into FEZs and used in the production of goods, primarily for export;
- exemption of companies from income tax (corporate tax), as well as other taxes and fees levied in a particular host country, for a sufficiently long period (from 5 to 10 years);
- reduction of tax rates for investors after the expiration of the so-called tax holiday period;
- exemption of reinvested profits from taxation;
- easing restrictions on the transfer of profits and capital abroad, including the abolition of taxes on profits remitted overseas;
- provision of preferential loans to regional investors, which is considered a more attractive incentive than tax benefits;
- provision of infrastructure services (energy, water supply, sewerage, transport, communications), land leases, and production facilities at preferential tariffs and prices.

Many FEZs in developing countries offer investors special exchange rate regimes. Among the incentives provided to investors in numerous FEZs in developing economies is also a special labor regulation regime, which generally corresponds to limited social protection.

An analysis of measures to ensure a favorable investment climate shows that a preferential tax system plays a central role in attracting foreign capital to free economic zones.

The establishment of offshore zones is mainly associated with two factors: proximity to business centers and the lack of internal resources for development.

According to the first factor, offshore centers emerged in regions of industrially developed countries such as the United States, Canada, Switzerland, the Netherlands, and the United Kingdom.

The second factor led to the emergence of offshore centers in island states of the Atlantic and Pacific Oceans as a means of attracting foreign capital. Moreover, for many countries, income from offshore business constitutes a major source of revenue. The primary purposes of establishing offshore companies usually include reducing taxes, accelerating and simplifying international financial transactions, and increasing institutional confidentiality.

Recently, European offshore companies have gained an additional advantage. Unlike companies in classic zero-tax jurisdictions, which do not have such an identifier, all European offshore companies are assigned a single registration number upon incorporation [4]. Offshore companies are also used to transfer funds from company assets to the personal assets of company managers or owners. Depending on the jurisdiction, companies are divided into two groups:

1. offshore companies;
2. companies operating under preferential tax regimes.

Naturally, there is an ongoing international effort to combat money laundering and illegal human trafficking. Therefore, it is necessary to create conditions in which various forms of zonal incentives in regions are applied not only to allocate them to specific companies, industries, or territories, but also to ensure that they become

effective instruments of economic modernization and tools for attracting investment to regions. Thus, the development of zones often goes beyond the initial plans that typically aim to address multiple objectives. Consequently, to maximize positive effects, it is essential to clearly define regional and sectoral priorities for the use of external resources [2].

China's experience shows that, at the initial stage, the number of FEZs should be limited, their scale compact, and their sectoral priorities clearly defined.

Principles of Forming Free Economic Zones:

When planning free economic zones (FEZs) and determining their specialization, it is necessary to analyze their international competitiveness in comparison with other FEZs located in different regions of the world. It should be borne in mind that the establishment of FEZs is a highly capital-intensive process [6].

To attract foreign capital, a set of infrastructure development measures is required. These measures should be based on the level of infrastructure services achieved in developed countries. It is essential to strike a balance between centralized regulation and local regional initiatives in favor of increasing autonomy for free economic zones.

The system of benefits and incentives zapknered in regulations must be aligned with international standards [3]. At the same time, it should be strictly tailored to the objectives set for FEZs, while remaining easy to implement and stable over the long term.

The regional and national economic effects of socio-economic impacts must be taken into account. If a certain number of FEZs are achieved alongside internal economic stability, these effects will be positive. The economic activities of FEZs should be carried out in accordance with the country's general legislation, with certain adjustments introduced to establish preferential regimes for investors.

This does not require the introduction of a national currency specific to FEZs or the establishment of a separate special economic legal framework. At the same time, it is important to recall the most typical negative aspects of foreign entrepreneurs' behavior in FEZs [5]. First, this includes the reluctance of foreign investors to make large long-term capital investments, resulting in a high degree of import dependence. Second, it involves policies of concealing profits through intra-company trade in components, that is, through transfer pricing.

The establishment of free economic zones is of great importance for the further development of the national economy, its economic indicators, and the diversification of the national economic structure. Through free economic zones, a country produces competitive products for global markets and attracts advanced foreign equipment and technologies, production lines and modules, as well as innovative technologies [7].

At present, numerous decrees and orders aimed at further developing this sector have been adopted. In accordance with a Decree of the President of the Republic of Uzbekistan, free economic zones have been established in three regions of the country in recent years—Urgut, G'ijduvon, and Hazorasp. This demonstrates the significant attention being paid to this sector [8].

All free economic zones currently operating in Uzbekistan (Table 1):

Table 1. Free Economic Zones Operating in the Republic of Uzbekistan

Free Economic Zones (FEZs)	Free Economic Zones (FEZs)
Navoi FEZ	Zomin-Farm FEZ
Angren FEZ	Kosonsoy-Farm FEZ
Jizzakh FEZ	Sirdaryo-Farm FEZ
Kokand FEZ	Qoraqalpogiston FEZ
Namangan FEZ	Andijon-Farm FEZ
Khazorasp FEZ	Chiroqchi FEZ
Termez FEZ	Sirdaryo FEZ
Nukus-Farm FEZ	Tashkent FEZ
Fergana FEZ	Bukhara FEZ
Kashkadarya FEZ	Samarkand FEZ

A free economic zone is developed in accordance with a program approved by the Cabinet of Ministers of the Republic of Uzbekistan.

CONCLUSIONS AND SUGGESTIONS

Investments in free economic zones (FEZs) are increasingly becoming a popular method of attracting capital and promoting economic development in various regions of the world.

FEZs are specially designated areas within a country that facilitate economic activity and investment. They are established to stimulate regional development, attract investment, create new jobs, and enhance the overall competitiveness of the national economy.

Free economic zones typically offer investors a range of preferential conditions, including tax incentives, exemptions from customs duties, simplified procedures for obtaining construction permits, as well as access to infrastructure and technological platforms. These measures help reduce risks for investors and increase their returns, making FEZs attractive for business activity.

Investing in free economic zones can be beneficial for both domestic and foreign investors. For domestic companies, FEZs provide favorable opportunities to expand their businesses, access new markets and technologies, and improve competitiveness in the global market. For foreign investors, FEZs offer unique opportunities to enter the market, utilize local resources and skilled labor, and gain access to foreign markets and partners.

Investments in free economic zones have a positive impact on regional economies by contributing to job creation, infrastructure development, improvements in living standards, technological advancements in production, and export promotion. In addition, investments in special economic zones facilitate technology transfer and support the development of research, education, and healthcare sectors.

Investments in free economic zones represent an attractive opportunity for both investors and regions. They stimulate economic development and create conditions for sustainable economic growth, thereby making FEZs an important instrument for attracting investment and fostering regional development.

Summarizing the above research and analysis, it can be stated that the largest share of foreign direct investment is directed to free economic zones, as different regions of the country offer varying incentives and advantages. Therefore, the effective functioning of free economic zones and the volume of attracted foreign investment are directly interrelated.

Taking into account the current situation and influencing factors, it is advisable to implement the following measures to further increase the volume of foreign investment:

- further enhancing the investment attractiveness of free economic zones;
- improving banking activities;
- expanding the scope of medium- and long-term investment programs.

If the above recommendations are implemented, the volume of investment in the country will increase, thereby strengthening the competitiveness of the national economy.

List of used literature:

1. Алпатов А. ОЭЗ были задуманы как система наибольшего благоприятствования для бизнесменов // Газета. – 2008. – № 219.
2. Интервью руководителя Федерального агентства по управлению особыми экономическими зонами А. Алпатова. [Электронный ресурс]. – Режим доступа <http://www.ippnou.ru/article.php?idarticle=005001>.
3. Зусман Е.В. ГЧП в условиях экономического кризиса: Новые тенденции развития // Юрист. – 2009. – № 1. – С.5.
4. Пеппер Д., Практическая энциклопедия международного налогового и финансового планирования. – М.: Инфра-М, 1999. – С.19.
5. Рыбаков С.А. Особенности правового статуса резидентов особых экономических зон // Налоги. – 2010. – № 3. – С. 9–14.
6. Савин В. Нужны ли в России свободные экономические зоны? // Мировая экономика и международные отношения. – 2005. – № 3. – С. 18.

Proofreader: Zokir ALIBEKOV

Layout and Designer: Oloviddin Sobir ugli

2026. № 1

© When materials are reproduced, the INNOVATION SCIENCE AND TECHNOLOGY journal must be cited as the source. Authors are responsible for the accuracy of the information in materials and advertisements published in the journal. Editorial opinions may not always align with those of the authors. Submitted materials will not be returned to the editorial office.

To publish articles in this journal, you may submit articles, advertisements, stories, and other creative materials through the following links. Materials and advertisements are published on a paid basis.

You may subscribe to the journal at any time using the following details. Once subscribed, please send a screenshot or photo of your payment confirmation to our Telegram page @iqtisodiyot_77. Based on this, we will send the latest issue of the journal to your address each month.

“The journal “INNOVATION SCIENCE AND TECHNOLOGY” has been registered by the Agency for Information and Mass Communications under the Administration of the President of the Republic of Uzbekistan from 09.10.2024 under the registration number №390637. License number: C-5669633. PNFL: 30407832680027

Our address: Tashkent city, Yunusobod district, 19th block,
House 17.



Acceptance of articles
Published every
monthly



Directions
Social, economic, political,
technological, scientific

 **Scopus || Scientific electronic journal specializing in Scopus**

CERTIFICATE NUMBER: №390637

**ORDER NUMBER ACCORDING TO
THE LICENSE REGISTER: C-5669633**

CONTACT:

 Contact us
+998 50 737 87 88

 Telegram channel
t.me/scopus_IST2100

 Journal official website
<https://ist-journal.uz/index.php/IST>