



Foreign investments as a factor in the modernisation of agriculture and the strengthening of foreign economic relations

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Abstract. In the context of globalisation and the growing interdependence of world markets, foreign investment serves as a key driver for the modernisation of agriculture, technological advancement, and the strengthening of external economic relations. For the Kyrgyz Republic, where the agricultural sector traditionally plays a crucial role in ensuring employment, food security, and export capacity, the attraction of long-term foreign capital is of strategic importance. The study aimed to analyse the mechanisms for attracting foreign investment into the agricultural sector of Kyrgyzstan and to assess its impact on enhancing the competitiveness of domestic agri-food products in international markets. Special attention was given to identifying the factors that facilitate or hinder investment activity, as well as to defining priority areas for cooperation with foreign partners. The research employed comparative and structural analysis, methods of economic and statistical modelling, and a review of international best practices in agricultural investment development. This methodological approach allowed the identification of both general trends and specific features of investment dynamics in the Kyrgyz agricultural

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sector. The analysis revealed that foreign investment contributes to the introduction of modern technologies, the development of processing industries, the improvement of rural infrastructure, and the growth of export potential. However, institutional, legal, and organisational barriers – such as imperfect legislation, bureaucratic procedures, and insufficient investor protection – continue to limit investment inflows. The study proposed a set of measures to improve the investment climate, strengthen the regulatory framework, promote public-private partnerships, and encourage innovative financing mechanisms. The practical significance of the research lies in the potential use of its findings by government bodies, investors, and business entities in developing effective strategies for agricultural modernisation and for integrating the Kyrgyz Republic into the global economic system

Keywords: agricultural sector; state; globalisation; development; regulation; export

Introduction

In the context of globalisation of the world economy, improving the efficiency of the national economy is only possible on the basis of accelerated innovation and investment development. A country's potential upon entering the global economic space largely determines its prospects. In this context, foreign investment is a key factor in increasing competitiveness, stimulating economic growth and deepening the integration of the national economy into the global economic system. According to FAO (n.d.) estimates, annual investment in agriculture in developing countries should amount to approximately USD 205 billion per year in the period 2025-2030. This is necessary to provide food for 9 billion people, as well as to improve the efficiency of soil fertility management, rational use of water resources and conservation of biological diversity.

According to NSCKR (n.d.), as of 2024, agriculture accounted for approximately 8.6% of Kyrgyzstan's gross domestic product (GDP). At the same time, approximately 23.9% of the working-age population was employed in the agricultural sector. Agricultural exports in 2024 were estimated at approximately 34 billion soms. For millions of residents, rural areas remain the main source of income and employment, making the agricultural sector not only economically but also socially significant for development. However, according to the United Nations (2024), the current state of agriculture in Kyrgyzstan is characterised by a number of systemic problems, including low levels of technological equipment in production processes, limited access to modern agricultural technologies, weak development of processing enterprises, and inadequate infrastructure for storage, transport and marketing of products. All this reduces the competitiveness of local agricultural products and limits their opportunities to enter foreign markets (Dzhailov & Mardaliev, 2025). In such conditions, as noted by I. Ryskulbekov (2023), foreign investment is seen as one of the key instruments for modernising the agricultural sector. Its inflow contributes not only to the renewal of the material and technical base, but also to the introduction of modern management approaches, increased labour productivity and expanded export opportunities.

Expanding foreign economic ties through the export of agricultural and processed products, introducing

xinternational quality standards, product certification, and participation in integration associations (in particular, within the Eurasian Economic Union) opens up new horizons for the development of Kyrgyzstan's agricultural sector. Foreign investment plays an important role in this process, promoting the introduction of innovative technologies, the development of transport and logistics infrastructure, increasing processing efficiency and ensuring the sustainable development of rural areas (Yang *et al.*, 2025). As noted by D. Omuralieva & S. Zholdosbekova (2024), the modernisation of agriculture is of particular importance for Kyrgyzstan, as it is directly linked to the diversification of the economy, the growth of employment and living standards in the regions, the strengthening of food independence, and the sustainable development of the agro-industrial sector, which plays a key role in ensuring the country's food security and economic growth in general. The development of the agricultural sector based on attracting foreign capital not only increases production and export volumes, but also enhances the overall investment attractiveness of the republic's economy. The aim of this study was to conduct a comprehensive analysis of the role of foreign investment in the modernisation of agriculture in the Kyrgyz Republic and to assess its significance for strengthening the country's foreign economic relations.

Literature Review

The issue of attracting foreign investment in agriculture has been the focus of economists, researchers and practitioners over the past decades. In the context of globalisation and the formation of a global food market, investment is seen as a key tool for the sustainable development of the agricultural sector and increasing its competitiveness. K. Mateeva & L. Mazur (2024) studied trends in Kyrgyzstan's foreign economic cooperation and the problems of integration into the Eurasian Economic Union (EAEU). E. Zakirova (2017) examined mechanisms for financing the agricultural sector, including public-private partnerships. R. Makhmudov (2025) analysed the impact and determinants of foreign investment on economic growth, structural transformation and the competitiveness of

the host country. Regional studies on Central Asia by the EDB (2023) showed that investments aimed at developing infrastructure, irrigation, processing and certification of products according to international standards were the most effective. This directly affected the competitiveness of agricultural products in foreign markets and strengthened foreign economic ties.

From the perspective of sustainable development, investments in the agricultural sector should be directed not only towards improving economic efficiency, but also towards ensuring environmental balance, rational use of natural resources and social sustainability in rural areas (Chupryna *et al.*, 2025). These principles were first systematically set out by WCED (1987), but were further developed in the UN Sustainable Development Goals adopted in 2015 and updated in subsequent strategies of other international organisations (United Nations, 2015). This is particularly important for the Kyrgyz Republic, where agriculture provides employment for a significant part of the working-age population, forming the basis of food security and making a significant contribution to the development of the country's regions (National Development Strategy of the Kyrgyz Republic, 2018; FAO, n.d.). Sustainable investment in agriculture makes it possible to simultaneously address the challenges of increasing productivity, protecting the environment and developing rural areas.

Research by the World Bank (2024), FAO (n.d.) and ADB (n.d.) shows that foreign direct investment in the agricultural sector of developing countries contributes to: growth in the production and export of agricultural products; the introduction of innovative technologies in crop and livestock production; the formation of agro-industrial clusters; the improvement of rural personnel qualifications; and the development of infrastructure for storage, processing and marketing of products. However, the positive impact of foreign investment is not automatic – it largely depends on the investment climate, the level of institutional development, the transparency of the legal system, and government policy in the field of investment regulation (Saha *et al.*, 2022). In the absence of effective control and support mechanisms, foreign capital may concentrate only in the most profitable areas, without contributing to the development of socially significant sectors of agriculture.

In the context of Kyrgyzstan, the problem of attracting foreign investment in the agricultural sector takes on a particular specificity. On the one hand, the country has favourable natural and climatic conditions, labour resources and a geographical location that provides access to the large markets of the EAEU and China. On the other hand, institutional constraints remain, including unstable legislation, bureaucratic barriers, weak infrastructure, and limited financial instruments to support investors. Thus, a review of theoretical and empirical sources leads to the conclusion

that foreign investment is an integral element of the sustainable development of Kyrgyzstan's agricultural sector, providing an inflow of capital, technology and management expertise. Their effective use requires the creation of a favourable institutional environment and long-term government policies aimed at increasing the investment attractiveness of agriculture.

Materials and Methods

The theoretical basis of the study was based on the concept of investment attractiveness, the OLI paradigm model of foreign direct investment by J. Dunning (2001), and the investment multiplier theory, which reflects the relationship between the volume of investment and the growth of national income. The application of these approaches made it possible to comprehensively examine the impact of foreign investment on the structural modernisation of agriculture and its integration into the global economic system. The study used comparative and structural analysis methods, as well as a systematic approach and a review of international experience in the field of investment development in the agricultural sector. This comprehensive approach made it possible to identify general patterns and specific features of investment dynamics in the agricultural sector of the Kyrgyz Republic.

The study analysed the mechanisms for attracting foreign investment in the agricultural sector and their impact on the modernisation of agriculture, as well as the strengthening of foreign economic ties. Three countries were selected for comparative analysis: Uzbekistan, Russia and China, each of which represents different models of agricultural policy and strategies for attracting foreign investment. Uzbekistan was selected for its active reform of the agricultural sector, aimed at creating institutional conditions for attracting investment and developing agricultural clusters, which can serve as an example for Kyrgyzstan in forming a favourable investment environment. Russia was highlighted as a country with a developed system of state subsidies and support for agricultural exports, which is important for the Kyrgyz Republic in terms of expanding its export potential and strengthening its infrastructure. China is interesting for its large-scale technological modernisation and integration into global production chains, including the use of digital technologies and mechanisms to stimulate foreign direct investment, which could be a useful reference point for Kyrgyzstan in developing its agro-industrial complex.

The experimental basis for the study was provided by statistical data from national statistical agencies and international organisations – FAO (2023; n.d.), World Bank (2024), IMF (2024), etc. The research methods included: comparative analysis to identify similarities and differences in approaches to attracting foreign investment and the results of their impact on the agricultural sectors; structural analysis

to assess the distribution of investments by type of activity, form of investment and their impact on production processes and exports; statistical analysis to determine the significance of the differences identified between countries.

Results and Discussion

Figure 1 shows the structure of foreign investment by sector of the Kyrgyz Republic's economy in 2020-2024, reflecting the dynamics of sectoral priorities and the degree of diversification of flows.

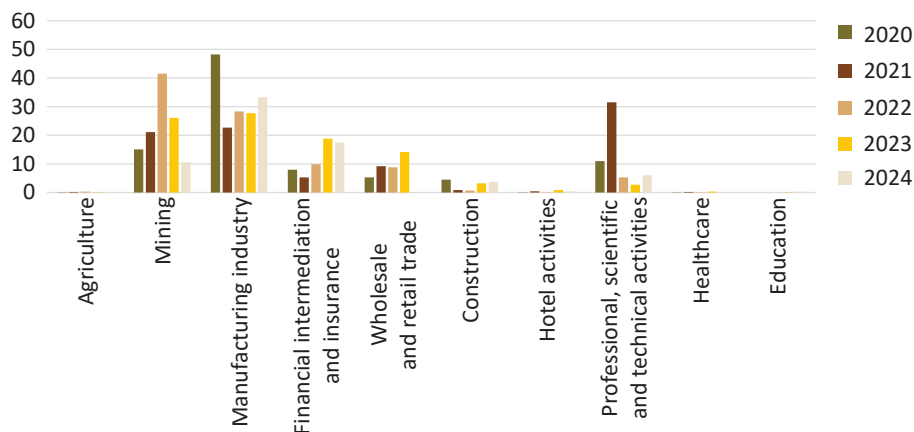


Figure 1. Structure of foreign investment in the economy of the Kyrgyz Republic

Source: compiled by the authors based on NSCKR (n.d.)

The analysis showed that the largest share of foreign investment in the Kyrgyz Republic continues to be in mining and manufacturing, which together accounted for up to 70% of total inflows. In 2024, the share of mineral extraction decreased to 10.6% (compared to 26.1% in 2023), while the share of manufacturing increased to 33.3% (compared to 27.7% in 2023). This indicates a redistribution of investment within the industrial sector and a further strengthening of the manufacturing industry's position. Agriculture, tourism, healthcare and education remain the least attractive to foreign investors, indicating an imbalance in the distribution of capital. In 2024, the share of agriculture remained at 0.1%, healthcare at 0%, and education at 0.3%. Tourism also continues to remain on the periphery with a share of 0.4% in 2024, despite the industry's high potential.

The raw materials sector continues to dominate, but in 2024 there was a redistribution of flows within the industrial bloc. Mineral extraction is declining,

while manufacturing is regaining its share, indicating potential diversification of the economy. The financial sector continues to grow steadily, confirming the development of financial technologies and the expansion of the banking sector. This reflects improved confidence in financial services in the country. Wholesale and retail trade and construction have shown significant fluctuations: trade significantly reduced its share in 2024, while construction regained its position, which is associated with the return of investor interest in infrastructure projects. Social sectors continue to remain on the periphery of foreign investment, requiring reforms to stimulate investment in strategically important industries. In particular, agriculture, healthcare and education remain the least attractive to foreign investors. Tourism continues to be unattractive to foreign investment, indicating the need for additional measures to stimulate growth in this sector. An analysis of the dynamics of foreign investment inflows is presented in Table 1.

Table 1. Foreign investment inflows into the Kyrgyz Republic in 2020-2024 (million USD)

Years	Total	Foreign direct investment	Portfolio investments	Other investments	Grants and assistance
2020	6,926.8	537.6	0.0	6,363.7	25.5
2021	6,331.4	1,006.1	1.0	5,289.0	35.3
2022	9,025.6	1,202.6	0.4	7,768.2	54.4
2023	7,110.6	844.9	0.3	6,168.8	96.6
2024	6,921.0	1,029.7	3.1	5,865.4	22.8

Source: compiled by the authors based on NSCKR (n.d.)

Table 1 shows that total foreign investment in 2024 returned to 2020 levels (USD 6,921.0 million), which may be due to changes in the global economic and investment climate, as well as the influence of external factors such as economic instability, global

inflation, or the geopolitical situation. Foreign direct investment (FDI) showed growth until 2022, but declined in 2023, which may be due to economic uncertainty or changes in the priorities of foreign investors. In 2024, FDI increased slightly again, but did not reach the level

of 2022. Portfolio investment remains extremely low, reflecting limited investor interest in short-term investments in securities and other financial assets in Kyrgyzstan. Other investments remain the main category of foreign investment, accounting for the bulk of foreign inflows into the economy. A peak was recorded

in 2022, but their volume has declined slightly in the last two years. Grants and aid show a slight increase in 2022-2023, but in 2024 there is a significant reduction, which may indicate a reduction in international aid or grants to Kyrgyzstan. Figure 2 shows data on the distribution of foreign direct investment by investor country.

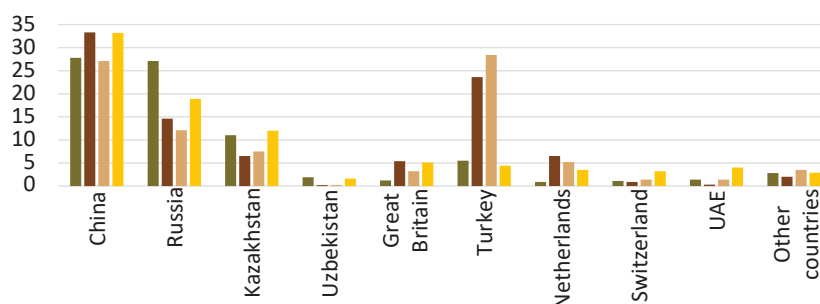


Figure 2. Main countries investing in the economy of the Kyrgyz Republic in 2020-2023

Source: compiled by the authors based on research by NSCKR (n.d.)

The results of the analysis showed that the structure of foreign investment in Kyrgyzstan is characterised by high geographical concentration. In 2023, the main investments came from China and Russia, whose shares were 27.8% and 27.1%, respectively. These countries continue to occupy dominant positions in the Kyrgyz economy, reflecting their strategic partnership with the republic. Turkey and Kazakhstan remain important investors, but their shares vary, which may indicate instability in the political and economic situation in these countries. At the same time, the United Kingdom and the Netherlands have significantly reduced their investments in Kyrgyzstan, which may be due to a decline in their interest in the republic for economic and political reasons. Switzerland and the UAE have shown mixed dynamics: the UAE is gradually increasing its investments, while Switzerland is maintaining a stable but low level of investment. The share of investments from other countries has also decreased. In 2023, the volume of foreign direct investment from non-CIS countries increased by 4.1% compared to 2022. This was made possible by growth in investments from Turkey and China. Investments from CIS countries increased 1.6 times, which is associated with growth in investments from Russia, Kazakhstan and Uzbekistan. The main investor countries in 2023 were China (27.8% of total investment), Russia (27.1%), Kazakhstan (11%) and Turkey (5.5%).

The analysis showed that attracting foreign investment to the economy of the Kyrgyz Republic is limited by a number of systemic factors that hinder the long-term development of foreign economic relations. Among these barriers, the most significant are institutional risks, infrastructure constraints and legal instability. Infrastructure constraints also had a significant impact: despite its favourable geographical location, the underdevelopment of transport, energy and digital infrastructure hampered Kyrgyzstan's integration into

international value chains and restrained investment activity. Similar conclusions are presented in reports by the World Bank and ADB (2023), which view the modernisation of logistics, energy and digital services as a necessary condition for reducing trade costs and attracting investment. Legal instability manifested itself in frequent changes to tax and customs legislation and insufficient protection of property rights, which created significant risks for long-term investments. The World Bank (2025) emphasised that it was precisely the unpredictability of the legal environment that remained one of the key factors in investors' cautious attitude towards Kyrgyzstan.

The results of the study confirm that foreign direct investment has a positive impact on productivity and technological modernisation in the agricultural sector of the Kyrgyz Republic, especially in the livestock and processing segments. Empirical studies conducted in Kyrgyzstan show a positive correlation between the volume of investment and the efficiency of the agro-industrial complex, and also note the significant role of the transfer of management practices and technologies. FAO (2025) notes that in Kyrgyzstan and other Central Asian countries, the cluster approach in the agricultural sector has increased cooperation between farmers, agro-processing enterprises and financial institutions, contributing to productivity growth and market access.

FDI plays a key role in modernising Kyrgyzstan's agricultural sector, contributing to increased productivity, the introduction of new technologies and improved management. However, in order to maximise its impact, existing barriers such as limited access to modern technologies and insufficient coordination between the public and private sectors must be overcome. To gain a deeper understanding of the characteristics of attracting and utilising foreign direct investment in the agricultural sectors of the countries under review, it is advisable to conduct a comparative analysis of key

indicators and mechanisms for their implementation. This approach will identify effective practices and strategies that can be adapted to the conditions in Kyrgyzstan,

taking into account its economic and climatic context. Table 2 presents a comparative analysis of foreign investment in the agricultural sector of the three countries.

Table 2. Comparison of foreign investment in the agricultural sector of Uzbekistan, Russia and China

Country	Foreign investment in the agricultural sector, billion USD	Share of agriculture in GDP	Exports of agricultural products, billion USD	Main areas of investment
Uzbekistan	2.1 (2023)	17%	5.3 (2023)	Water conservation technologies, infrastructure modernisation, agricultural technologies
Russia	3.0 (2023)	4.5%	35.6 (2023)	Innovative agricultural technologies, processing, export of agricultural products
China	4.5 (2023)	7.2%	120.4 (2024)	Export of dairy products, agricultural technology, sustainable agriculture

Source: compiled by the authors based on IMF (2024), World Bank (2024), Rosstat (n.d.), National Bureau of Statistics of China (n.d.), National Statistics Committee of the Republic of Uzbekistan (n.d.)

An analysis of foreign investment trends in the agricultural sectors of Uzbekistan, Russia and China reveals significant differences due to the economic potential, scale of production and government policy priorities of each country. With investments of USD 2.1 billion in 2023 and agriculture accounting for about 17% of GDP, Uzbekistan is characterised by the high importance of the agricultural sector for the national economy. The main areas of investment here are focused on water-saving technologies, infrastructure modernisation and the introduction of agricultural technologies. This strategy is aimed at improving the efficiency of natural resource use and sustainable agricultural development, which is particularly relevant for a country with limited water resources. Russia, despite the smaller share of agriculture in GDP (4.5%), attracts a relatively high volume of foreign investment – about USD 3 billion. Investments are directed towards innovative agricultural

technologies, processing and the development of agricultural exports. The significant volume of exports (USD 35.6 billion) testifies to a developed processing industry and a focus on foreign markets. Investments contribute to the modernisation of the industry and increase the competitiveness of the Russian agro-industrial complex. China stands out with the largest volume of foreign investment – USD 4.5 billion in 2023, with agriculture accounting for about 7.2% of GDP. Agricultural exports reached USD 120.4 billion in 2024, reflecting the scale and efficiency of the country's agricultural sector. Investments are focused on the development of dairy exports, the introduction of agricultural technologies and sustainable agriculture, which is in line with the state strategy to improve food security and environmental sustainability. Table 3 provides a comparative analysis of methods for attracting foreign investment in the agricultural sector of the countries analysed.

Table 3. Comparative analysis of methods for attracting foreign investment in the agricultural sector of Uzbekistan, Russia and China

Mechanisms for attracting investment	Key strategies and programmes	Effectiveness assessment	Notes
Uzbekistan			
Preferential taxation, simplified business registration procedures, subsidies for agricultural technology	Sustainable Agriculture Programme, infrastructure improvement	Growth in agricultural production, increase in agricultural exports	Active reforms, support for small and medium-sized enterprises in the agricultural sector, especially in the field of agricultural technology. Subsidies contribute to the modernisation and development of farms.
Russia			
State investment projects, support for digitalisation, incentives for investors	National Strategy for the Development of Agriculture, Mechanisation and Digitalisation	Growth in livestock farming and increased productivity	The programme to support the digitalisation and mechanisation of the agricultural sector has contributed to significant growth in productivity and an increase in agricultural production volumes.
China			
Innovation incentive programmes, subsidies, export support	Green agriculture policy, modernisation of processing	Increasing exports and introducing innovative technologies	The export promotion programme has significantly increased foreign trade in agricultural products.

Source: compiled by the authors based on IMF (2024), World Bank (2024), Rosstat (n.d.), National Bureau of Statistics of China (n.d.), National Statistics Committee of the Republic of Uzbekistan (n.d.)

A comparative analysis of practices for attracting foreign investment in the agricultural sector in Uzbekistan, Russia and China shows that each country adapts investment flows to its own economic conditions and priorities for the development of the agricultural sector. Uzbekistan focuses on the rational use of resources and basic infrastructure, Russia on technological modernisation and export potential, and China on large-scale production with a focus on sustainability and innovation. Kyrgyzstan can learn from these models, taking into account its own resources and challenges, to develop a balanced strategy for attracting and effectively utilising foreign investment in agriculture. Uzbekistan, Russia and China are achieving sustainable growth in foreign investment in the agricultural sector through institutional reforms, government support and innovative solutions.

Each country adapts its investment attraction strategy to its national economic, climatic and social characteristics. In Uzbekistan, according to the Ministry of Economy and Finance of the Republic of Uzbekistan (n.d.), institutional reforms aimed at simplifying business and supporting agricultural technologies have made it possible to modernise agricultural infrastructure and increase exports. In Russia, government projects and the promotion of digitalisation in the agricultural sector are ensuring productivity growth and strengthening export potential (Rosstat, n.d.). China is successfully implementing its Green Agriculture programme, actively introducing innovations and modernising processing facilities, which is contributing to significant export growth (IARRP, 2025). A comparison of the approaches of the three countries reveals some common patterns. First, the effectiveness of foreign investment in agriculture directly depends on institutional transparency and the stability of the legal regime. Second, prioritising processing, digitalisation and environmental standards enhances the synergistic effect between economic growth and sustainable development. Finally, systematic interaction between the state, the private sector and international institutions ensures the sustainable expansion of agricultural markets and shapes long-term investment attractiveness.

The experience of Uzbekistan, Russia and China in attracting and effectively utilising foreign investment in the agricultural sector is a valuable source of knowledge for Kyrgyzstan, which is striving to modernise and sustainably develop its agricultural industry. Uzbekistan demonstrates how institutional reforms can be successfully combined with the introduction of water-saving technologies and infrastructure modernisation, which is particularly relevant for Kyrgyzstan, given its limited natural resources and the need for rational water use. Tax incentives and subsidies aimed at supporting small and medium-sized agricultural enterprises can serve as an example for creating a favourable environment for investors and stimulating innovation in Kyrgyzstan's agriculture. Russia demonstrates the importance of

focusing on technological modernisation and the development of processing industries to increase the added value of agricultural products and enter foreign markets. Kyrgyzstan should pay attention to the development of the processing industry in the agricultural sector, which will not only increase exports but also create new jobs, thereby enhancing the economic sustainability of rural areas. China is an example of integrating large-scale investments in innovative agricultural technologies and sustainable agriculture with a focus on environmental safety and food security in the country. It is important for Kyrgyzstan to adopt China's approach to the digitalisation of agricultural enterprise management and the development of sustainable production methods, which will help to increase efficiency and minimise negative environmental impacts. Overall, combining the experience of these three countries will enable Kyrgyzstan to develop a comprehensive strategy aimed at increasing the investment attractiveness of the agricultural sector, technological modernisation, strengthening export potential and the sustainable use of natural resources. This approach will contribute to the long-term development of agriculture and improve the quality of life of the rural population.

Foreign investment in Kyrgyzstan's agricultural sector has contributed to the introduction of modern technologies (smart greenhouses, precision farming, drip irrigation), the development of the processing industry, infrastructure improvements and the alignment of products with international standards, which together have strengthened the country's export potential. The data obtained in the course of this study were generally consistent with the results of other scientific publications, but certain differences were also identified. M. Abdiev & T. Kerimbaeva (2024) state that the successful operation of agricultural complexes largely depends on the volume of investment and its direction, with the most characteristic areas of agricultural investment being the introduction of the latest technologies and their adaptation to modern trends, investment in digital development, land and property leasing, and improving working conditions and animal care. A. Khitakhunov (2021) noted that in Central Asian countries, despite the vital role of agriculture in the regional economy, its development is hampered by low productivity and dependence on imports, which requires countries in the region to stimulate capital investment, improve institutional quality and implement climate adaptation strategies to enhance the sector's competitiveness. This conclusion was confirmed by the emphasis placed on the importance of investment in this study.

The work of K. Nurasheva *et al.* (2024) showed that foreign capital flowed mainly into labour-intensive industries, including agriculture, but the scale of investment remained low due to institutional and legal barriers. These findings coincided with the limitations identified in this study: institutional risks and legal

instability seriously hampered the inflow of long-term capital. F. Cao *et al.* (2025), analysing the effectiveness of trade in agricultural products between China and Central Asian countries, concluded that countries with a more transparent institutional environment demonstrated significantly higher export performance. This result confirmed the conclusion made in the current work about the need for institutional support and the introduction of international quality standards to strengthen foreign economic relations. The experience of Kazakhstan is of particular interest. Kazakhstan's agricultural exports increased by 51% in 2020-2024 as a result of equipment modernisation and a focus on high value-added products (Investing in Kazakhstan's agriculture..., 2025). These data coincided with the findings of the current study on the importance of processing and modernisation, but the growth rate in Kyrgyzstan is lower due to smaller investments and weak infrastructure. A. Bekmuratov *et al.* (2025) examined the potential for cluster development in Kyrgyzstan's agricultural sector. The results showed that farmers belonging to cluster associations increased their yields by 15-25% and their profits by 20-30% by reducing production costs and expanding access to markets. These proposals were consistent with the findings of this study on the need to expand cooperation and value chains. However, the authors pointed to the lack of access for farmers to modern technologies and financial instruments, which was also confirmed by the results of this study.

The World Bank (2025) emphasised that the effectiveness of foreign investment increased when accompanied by technology transfer, the introduction of modern management practices, and increased competition. These findings coincided with the conclusions of this study on the importance of technology and processing, but the World Bank placed greater emphasis on market competition and the institutional environment, while this study focused on infrastructure and export standards. The literature paid particular attention to legal restrictions in the agricultural sector. According to the U.S. Department of State (2024), foreign investors were not allowed to directly own agricultural land in Kyrgyzstan, but joint ventures with local owners made it possible to reduce costs and improve product quality. This conclusion complemented the findings of the present study, which also noted the importance of partnerships for expanding export potential, although the legal aspects of land use were considered to a lesser extent. Finally, the study by I. Taranov & Y. Kawabata (2024) examined the role of participatory guarantee systems (PGS) in the development of organic agriculture in Kyrgyzstan. The authors showed that farmer cooperation and simplified certification mechanisms reduced transaction costs and facilitated the entry of products into organic markets. These results confirmed the thesis of this study on the need to diversify the export basket through niche products with high added value. Thus, the

analysis showed that most contemporary studies confirm the key conclusions of this work: foreign investment is an important factor in the modernisation of agriculture and the strengthening of foreign economic ties. The differences primarily concerned the scale and speed of change, as well as the emphasis on the institutional environment or infrastructure aspects. Taken together, this reinforces the reliability of the recommendations made in this study on the need to prioritise funding for processing, logistics and certification systems, as well as on creating a sustainable investment climate in the agricultural sector of Kyrgyzstan.

The removal of institutional, infrastructural and legal barriers is a prerequisite for creating a favourable investment climate that promotes sustainable economic growth. For the Kyrgyz Republic, the priority in this area is the creation of specialised investment zones, industrial parks and industry clusters focused on priority sectors. This will ensure the inflow of both domestic and foreign investment, stimulate the modernisation of production capacity and increase employment in rural areas. Of particular importance is the development of public-private partnership mechanisms that provide financing for large-scale infrastructure and innovation projects and allow for the effective distribution of risks between the state and business. In this context, it is important to establish transparent rules for interaction, introduce project financing instruments and support investment-significant initiatives at the local level.

Further digitalisation of the economy, development of electronic government services and application of the "single window" principle for investors create additional incentives to improve the business environment, reduce administrative barriers and increase confidence on the part of private capital. Diversification of the structure of foreign investment is a key condition for sustainable and balanced growth. Attracting capital to agriculture, manufacturing, tourism, education and healthcare not only expands the economic base but also creates new sources of added value. Particular attention should be paid to the development of "green investments" – in renewable energy, resource-efficient technologies and environmentally safe production, which is in line with global trends in sustainable development. Thus, the use of adapted international experience, the improvement of legal and institutional mechanisms, and the creation of a predictable and stable investment environment can ensure a long-term inflow of capital into strategically important sectors. This will create the basis for a profound modernisation of agriculture, structural restructuring of the economy and strengthening of the Kyrgyz Republic's competitiveness in the global market.

Conclusions

The study provided a comprehensive assessment of the impact of foreign direct investment on the development of the agricultural sector in the Kyrgyz Republic,

taking into account international experience. Based on a comparative analysis of investment dynamics in Uzbekistan, Russia and China, effective practices and strategic approaches were identified that contribute to the modernisation of agriculture, the strengthening of export potential and the sustainable use of resources. Analysis of statistical data showed that the largest volume of foreign investment in Kyrgyzstan is still concentrated in the extractive and processing industries, while the agricultural sector remains undercapitalised. This creates an imbalance in the structure of the economy and reduces opportunities for sustainable development in rural areas. At the same time, global experience shows that targeted government policies to attract investment, support for agricultural technologies, infrastructure development and institutional reforms can significantly increase the attractiveness of the agricultural sector to investors.

The results confirm that foreign direct investment is associated with productivity growth, innovation and technological upgrading, especially in segments such as livestock farming, product processing and sustainable agriculture. The examples of Uzbekistan, Russia and China show that successful agricultural transformation requires a combination of financial investment, competent regulation and strategic vision at the state level.

For Kyrgyzstan, key areas of focus could include creating a favourable investment environment by simplifying procedures, developing agro-industrial clusters, supporting exports of high value-added products, and introducing digital solutions in the agricultural sector. It is also important to take environmental and social aspects into account, based on the principles of sustainable development. Prospects for further research include an in-depth econometric analysis of the impact of foreign investment on the production indicators of Kyrgyzstan's agro-industrial complex, a study of regional differences in investment activity, and the development of scenarios for the long-term development of the agricultural sector with the participation of foreign investors. In addition, the issue of assessing institutional barriers and risk factors that hinder the inflow of investment into the country's agriculture remains relevant.

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Чет элдик инвестиция айыл чарбасын жаңылоонун жана тышкы экономикалык байланыштарды чыңдоонун фактору

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Аннотация. Ааламдашуу жана дүйнөлүк рыноктордун өз ара көз карандылыгы күчөгөн шартында чет элдик инвестиция айыл чарбасын жаңылоонун, анын технологиялык деңгээлин жогорулатуунун жана өлкөнүн тышкы экономикалык байланыштарын чыңдоонун маанилүү куралы болуп саналат. Иш менен камсыз кылууда, азык-түлүк коопсуздугун камсыз кылууда жана экспорттук потенциалды өнүктүрүүдө айыл чарба тармагы салттуу түрдө маанилүү роль ойногон Кыргыз Республикасы үчүн, узак мөөнөттүү чет өлкөлүк капиталды тартуу стратегиялык мааниге ээ. Изилдөөнүн максаты Кыргызстандын айыл чарбасына чет элдик инвестицияларды тартуу механизмдерин талдоо жана алардын айыл чарба продукциясынын тышкы рыноктордо атаандаштыкка жөндөмдүүлүгүн жогорулатууга тийгизген таасирин баалоо болгон. Өзгөчө көңүл, инвестициялык активдүүлүккө көмөктөшүүчү жана тоскоолдук кылган факторлорду аныктоого, ошондой эле чет өлкөлүк өнөктөштөр менен өз ара аракеттенүүнүн артыкчылыктуу багыттарын аныктоого бурулат. Изилдөөдө, салыштырма жана структуралык талдоо методдору, системалык мамиле колдонулган, ошондой эле айыл чарба тармагындагы инвестицияны өнүктүрүү боюнча эл аралык тажрыйба изилденген. Мындай мамиле Кыргызстандын айыл чарба тармагындагы инвестициялык динамикасынын жалпы мыйзам ченемдүүлүктөрүн жана спецификалык мүнөздөмөлөрүн аныктоого мүмкүндүк берди. Талдоо көрсөткөндөй, чет элдик инвестициялар инновациялык технологияларды киргизүүгө, кайра иштетүү тармактарын өнүктүрүүгө, айыл чарба өндүрүшүнүн натыйжалуулугун жогорулатууга, инфраструктураны жакшыртууга, экспорттук потенциалды жогорулатууга көмөктөшөт. Ошону менен бирге чет өлкөлүк инвестициялардын агымын чектеген институционалдык, укуктук жана уюштуруучулук тоскоолдуктар аныкталган, анын ичинде мыйзамдардын жеткилең эместиги, бюрократиялык жол-жоболор инвесторлор үчүн жетишсиз корголгон. Жыйынтыктап айтканда, жагымдуу инвестициялык климатты түзүү, ченемдик-укуктук базаны өркүндөтүү, мамлекеттик-жеке өнөктөштүктү өнүктүрүү, инновациялык каржылоо инструменттеринин ролун күчөтүү боюнча чаралар сунушталууда. Изилдөөнүн практикалык мааниси, анын жыйынтыктарын мамлекеттик органдар, потенциалдуу инвесторлор жана бизнес структуралар тарабынан айыл чарбасын модернизациялоонун натыйжалуу стратегияларын иштеп чыгуу жана Кыргыз Республикасын эл аралык экономикалык мейкиндикке тереңирээк интеграциялоо үчүн колдонуу мүмкүнчүлүгүндө жатат

Негизги сөздөр: агроөнөр жай комплекси; мамлекет; глобализация; өнүктүрүү; жөнгө салуу; экспорт

Иностранные инвестиции как фактор модернизации сельского хозяйства и укрепления внешнеэкономических связей

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Аннотация. В условиях глобализации и растущей взаимозависимости мировых рынков иностранные инвестиции выступают важнейшим инструментом модернизации сельского хозяйства, повышения его технологического уровня и укрепления внешнеэкономических связей государства. Для Кыргызской Республики, где аграрный сектор традиционно играет системообразующую роль в обеспечении занятости населения, продовольственной безопасности и формировании экспортного потенциала, привлечение долгосрочного иностранного капитала приобретает стратегическое значение. Целью исследования был анализ механизмов привлечения иностранных инвестиций в сельское хозяйство Кыргызстана и оценка их влияния на повышение конкурентоспособности агропродовольственной продукции на внешних рынках. Особое внимание уделено выявлению факторов, способствующих и препятствующих инвестиционной активности, а также определению приоритетных направлений взаимодействия с зарубежными партнерами. В работе применялись методы сравнительного и структурного анализа, системного подхода, а также проведено изучение международного опыта в сфере инвестиционного развития аграрного сектора. Такой подход позволил выявить общие закономерности и специфические особенности инвестиционной динамики в аграрной сфере Кыргызстана. Проведенный анализ показал, что иностранные инвестиции способствуют внедрению инновационных технологий, развитию перерабатывающих отраслей, повышению эффективности аграрного производства, улучшению инфраструктуры и росту экспортного потенциала. Вместе с тем были выявлены институциональные, правовые и организационные барьеры, ограничивающие приток зарубежных инвестиций, включая несовершенство законодательства, бюрократические процедуры и недостаточную защищенность инвесторов. В заключение предложены меры по формированию благоприятного инвестиционного климата, совершенствованию нормативно-правовой базы, развитию государственно-частного партнерства и усилению роли инновационных инструментов финансирования. Практическая значимость исследования заключается в возможности использования его результатов государственными органами, потенциальными инвесторами и бизнес-структурами при разработке эффективных стратегий модернизации сельского хозяйства и углубления интеграции Кыргызской Республики в международное экономическое пространство

Ключевые слова: агропромышленный комплекс; государство; глобализация; развитие; регулирование; экспорт