

**THE INFLUENCE OF BUSINESS CITY ON THE BUSINESS
ENVIRONMENT AND INFRASTRUCTURE**

Solieva Umida Alisher qizi
Independent PhD candidate
Tashkent State University of Economics

The concept of "business city" or business cities has emerged as one of the key trends in modern infrastructure development. A business city represents a comprehensive integration of office, commercial, residential, hotel, and other facilities that create a favorable environment for entrepreneurial activity. In the context of globalization and increasing competition, the establishment of business cities is becoming a crucial factor in stimulating regional economic activity and attracting investments.

For example, Dubai has undergone an impressive transformation from a small trading port to a global financial and business hub, thanks to well-planned economic policies, large-scale infrastructure investments, and the creation of a favorable business environment.

In 1985, Dubai established its first free economic zone - the Jebel Ali Free Zone (JAFZA), offering foreign companies preferential conditions, including 100% foreign ownership and tax exemptions. This attracted thousands of corporations, and by 2023, the zone contributed about 20% to the city's GDP, hosting more than 8,000 companies.

In 2004, the Dubai International Financial Centre (DIFC) was founded, becoming one of the world's leading financial hubs. Today, it houses over 3,000 institutions, including 17 of the 20 largest banks, with the volume of transactions in 2023 exceeding \$150 billion. The center has created more than 40,000 jobs.

Iconic infrastructure projects such as the Burj Khalifa and the artificial Palm Jumeirah islands played a crucial role in Dubai's development. These landmarks strengthened the city's status as a tourist destination, contributing \$20 billion to the sector in 2023 and attracting over 16 million visitors.

Overall, by 2023, more than 200,000 companies were registered in Dubai, and the city's GDP surpassed \$425 billion. This success has been achieved through strategic planning, a favorable investment climate, and proactive infrastructure development.

Hong Kong began to develop as a major business center in the mid-20th century, becoming a key trade hub between China and the West. Under British rule since

1842, it established a solid legal and economic foundation, which subsequently allowed it to take its place among the world's leading financial centers.

A significant milestone was the establishment of the Hong Kong Stock Exchange in 1891, which today ranks among the largest in the world with a market capitalization exceeding \$6 trillion. In 2023, more than 2,500 companies were listed on the exchange, and the trading volume surpassed \$4 trillion, making it an integral element of the international financial system.

In 1997, after returning to China, Hong Kong maintained its autonomy and status as a special administrative region, continuing to develop under the "one country, two systems" principle. This ensured the stability of the investment climate and the preservation of a market economy.

The government supports businesses with low taxes (corporate tax rate of 16.5%) and free trade. Infrastructure remains a key area of development: the international airport served 71 million passengers in 2023, and the city ranks among the world's top three in cargo transportation volume.

The financial sector plays a leading role, accounting for about 20% of GDP. More than 160 banks operate in Hong Kong, and the total assets of the banking sector exceed \$4 trillion. Additionally, the city is a global hedge fund center with assets under management surpassing \$200 billion.

Logistics and trade remain important drivers of the economy: in 2023, trade turnover exceeded \$1 trillion, and Hong Kong's port handles over 20 million containers annually, maintaining its position as one of the largest in the world.

Although Uzbekistan's business cities such as "Tashkent City" and "Samarkand City" are in the early stages of development, they are already demonstrating high efficiency and potential for further growth. Unlike major global business centers, Uzbekistan's business cities focus on creating modern conditions for the development of small and medium-sized enterprises, as well as attracting foreign investors.

Since the launch of the "Tashkent City" project in 2017, the total volume of attracted investments has exceeded \$1 billion, of which about 60% are foreign investments. This influx of capital has contributed to the development of related industries such as construction, financial services, logistics, and real estate. Thanks to "Tashkent City," more than 20,000 new jobs have been created in Tashkent. This has not only increased the employment rate but also contributed to improving the qualifications of workers in the fields of finance, trade, hospitality, and information technology.

Since the project's inception in 2018, "Samarkand City" has attracted over \$400 million in investments, with foreign investments accounting for about 50%. The emergence of "Samarkand City" led to a 25% increase in tourist numbers between 2019 and 2023. In 2022, the city welcomed more than 1.5 million tourists, with over 30% of them staying in hotels and accommodations within "Samarkand City." Revenues from the hospitality industry and tourism-related services in 2022 exceeded \$150 million, constituting approximately 12% of Samarkand's total GDP. The development of "Samarkand City" has resulted in the creation of more than 5,000 new jobs in the city. Additionally, it has stimulated the establishment of over 300 new small and medium-sized enterprises.

The analysis results indicate that a business city can thrive only with comprehensive infrastructure, including a transportation network, modern office and residential spaces, shopping and entertainment complexes, as well as high-quality educational and medical facilities. Another crucial factor is the presence of a clear development strategy aimed at attracting investors and creating favorable conditions for entrepreneurs.

For a business city to function effectively, it is essential to ensure access to advanced technologies, high-speed communications, and a developed financial infrastructure. This not only attracts companies and investors but also fosters an innovative environment that promotes the development of new types of businesses and technological solutions.

Thus, a business city serves as an infrastructure facility that significantly influences economic development, contributing to improved living standards for the population, job creation, and strengthening the country's or region's position in the global market.