

CURRENT STATE OF THE FINANCIAL MARKET IN UZBEKISTAN AND WAYS OF ITS DEVELOPMENT

Shamsitdinova Khonzoda

Tashkent State University of Economics

xonshams@gmail.com

ABSTRACT

This article discusses the current state of the financial market infrastructure in our country, scientific theoretical aspects and prospective plans. By the way, wide variety of current problems in the stock market in our country are determined, also, proposals and conclusions in order to reduce these issues are presented.

Keywords: Stock market, securities, capital, shares, bonds, financial instruments.

INTRODUCTION

As we live in an era of globalization, we can certainly see various changes, updates and in turn a number of problems taking place in every field on a global scale, especially in order to rapidly develop the economy of each country and solve problems. reforms are underway.

At a time when there is a shortage of funds in some sectors of the economy of many countries, we can see a surplus of funds in some sectors. One of the sectors that meet with each other, ensure their relations, and rapidly develop the country's economy is the financial market, that is, the stock exchange. If we look at the economies of developed countries around the world, they make a great contribution to the development of the entire economy by using the market model of the financial market regulated by securities. Therefore, the financial market is one of the most important institutions in the development of the national economy.

Even today, during the development of the world economy, the stock market processes have improved and become a decisive factor of economic development. Even in times of economic crisis, by attracting idle money through financial instruments, including securities, stabilization of the economy and effective management of the circulation of the national currency is achieved.

Currently, there are a number of issues that need to be resolved that are obstacles to the development of the financial market in our country, including the lack of improvement of practical and legal foundations in the regulation of the securities market, high requirements for joint-stock companies, investment attractiveness We can cite problems such as lack of funds, low confidence of the country's native population in the financial market, mainly in securities and government bonds, and lack of financial literacy.

Eliminating the following problems as much as possible, creating all necessary conditions for further improvement of the financial market system in our country is one of the important tasks facing us today.

MATERIALS

If we look at several literatures related to the economy, researches have been conducted about the financial market and its origin, its segments, especially the stock market, and several

factors that hinder its development, as well as the researches and analyzes that are being carried out in connection with their elimination, and finance different definitions are also given to the market.

In Western economic literature, financial markets are presented as a set of market institutions that direct the flow of funds from savers to borrowers.¹

Frederic Mishkin calls financial markets markets that serve to transfer money from people with surplus funds to those who lack funds.²

From the above, it can be said that the financial market, with the help of these financial institutions, brings together sectors that need funds and have surplus funds. To better understand the financial market, it is more useful to know its types and functions. For this purpose, Robert Merton, who conducted his research and won the Nobel Prize in Economics in 1997, distinguishes the following functions of the financial market:³

- redistribution of capital over time, between sectors and countries;
- capital accumulation and participation in enterprises;
- payment-accounting;
- risk management;
- information;
- prevention of information asymmetry problems.

Some economists have studied the development of the international and national financial market in 4 stages⁴: 1st stage 1860s, development of foreign trade. 2nd stage, 1950-1960s, integration of the national credit market. 3rd stage, 1970-1980s, formation of international market for long-term capital and creation of international investment market, 4th stage 1990-2000s, that is, rapid development of derivative markets in international and national financial market.

According to the definition of VEChernova from foreign scientists⁵, the financial market is the total amount of all money resources in constant motion, that is, placement and redistribution by various subjects of the economy through changes in demand and supply for these resources. According to Sh.SH Shokhazami, one of the local economists⁶, the financial market is a system of financial instruments equivalent to the monetized real investment base, which is provided by economic and legal mechanisms, and which manifests itself as a complex of economic entities that create the necessary market conditions.

Summarizing the above points, the financial market serves to direct the idle money and serves as the main lever in the development of the economy.

¹Dolan EJ, Campbell KD. Dengi, banking business and monetary and credit policy. M. ; SPb., 1993. S. 15.

²Frederick S. Mishkin, Kent Matthews and Massimo Giuliadori. The economics of money, banking and financial markets. UK. Pearson, 2013. P.3.; Frederic S. Mishkin, Stanley G. Eakins. Financial markets and institutions. USA. Prentice Hall, 2012. P.2.

³M 70 Financial market: Textbook / S. Elmirzayev and others; - T.: "Economy-finance", 2019. p. 7.

⁴Financial market and investments textbook/ A. U. Burkhanov, Kh. X. Khudoykulov - T." Spirituality ", 2021. p. 11.

⁵Chernova V.E. Finansovye rynki: uchebnoe posobie/SPbGTURP. - SPb.: 2015. 73 p.

⁶Shokhazami Sh.Sh. Financial market and securities. Textbook. - T. : TFI, 2012. p. 265.

METHODOLOGY

This article analyzed the scientific-theoretical views of foreign and local scientists on the financial market and its origin, several factors that are hindering the development of the financial market and the stock market in our country today, and measures to prevent them. . Several methods such as assessment, monitoring, analysis, synthesis were used during the research.

DISCUSSION AND RESULTS

The financial market is a physical or virtual place where assets are bought and sold, and the products traded there are not what we think of as clothes or food, that is, the financial market focuses on financial instruments such as stocks. Previously, financial market operations were carried out in specific places, but now they are carried out through online platforms, which in turn creates a number of conveniences. In my opinion, it has not become the main means of providing. However, the financial market, that is, the method of financing the economy with the help of securities, is part of the system of several developed countries such as the USA and Great Britain.

In our country, there are several problems facing us in order to improve the infrastructure of the stock market. One of the main features of the stock market, such as flexibility, freedom, depth and transparency, are not regulated. In addition, the number of assets for sale in joint-stock companies is not so large, even if there is a lot, the population does not have the confidence to buy it and see a good profit from it. One of the main reasons for this is the huge difference between the nominal value and the real value of the shares on sale.

It was the first in the Republic of Uzbekistan to start transactions with securities since 1992. In 2009-2017, the volume of trading in the stock market of Uzbekistan and the share of the stock market (billion soums) ⁷

Yillar	Fond bozorining umumiy savdo hajmi	Birjadagi savdo hajmi	Bozor aksiyalarini sotish hajmi	Qimmatli qog'ozlar bozori ulushi %
2009	749,6	90	659,6	12,0
2010	1681	64,4	1616,6	3,8
2011	1603,4	213,1	1390,3	13,3
2012	2093,5	170,7	1922,8	8,2
2013	977,4	93,2	884,2	9,5
2014	1327	97,6	1229,4	7,4
2015	3508	160,8	3347,2	4,6
2016	14460	299,8	14160,2	2,1
2017	17340	298,6	17041,4	1,7

⁷AJHUUAMURODOV(2018) DEVELOPMENT ANALYSIS AND EVALUATION METHODOLOGY OF UTILITY MARKET INFRASTRUCTURE IN ZBEKISTAN. ISJNazariyvaamaliyfans, 05 (61): 168-176

At the beginning of 2017, the market capitalization of the "Tashkent" stock exchange was 2.1 billion dollars, or less than 3% of GDP, while this figure is 82% on average in the world. The average daily turnover of the "Tashkent" stock exchange was 325,000 dollars in 2016, while the volume of transactions at the Tokyo Stock Exchange was 22.9 billion dollars. In September 2016, in cooperation with the Korean Stock Exchange a single software-technical complex was launched, and since that day, the amount of transactions has doubled. Tashkent Stock Exchange and Japan Exchange Group Inc. signed a memorandum of understanding on April 8, 2014 and reached a mutual agreement on long-term cooperation. Today, the stock market of the Republic of Uzbekistan is developing rapidly, but despite this, it has a number of problems. The total value of shares in the stock market of the Republic is 25 trillion soums, but this is less than 6% of the country's GDP. According to this indicator, it is 188% in Singapore, 112% in Malaysia, and 34% in Russia. All state bonds issued in 2021 in our republic were sold only to commercial banks through the currency exchange. The number of professional participants in the Republican Stock Market is less than 100. For this reason, it is planned to develop a special strategy for the development of the stock market of our country in 2020-2025.⁸

CONCLUSION

To sum up, today in our country there is a shortage of personnel in the field of the financial market, excessive training, a lot of normative documents, the presence of bans on banks in the primary market, ineffective mechanism, lack of financial literacy among the population, lack of investment attractiveness. how many problems there are. Here are some suggestions for solving these problems:

1. Reducing the difference between the nominal and real values of securities.
2. Strengthening the rights of local and foreign investors and shareholders.
3. Further improvement of corporate management.
4. Transition to international financial accounting standards.
5. Introduction of incentives to facilitate operations between banks and stock exchanges in the stock market.
6. Integration with international background markets.

As a result of the measures listed above, the infrastructure of the national financial market of our country will definitely develop and will soon find its place in the world.

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⁸https://www.norma.uz/oz/bizning_sharhlar/fond_bozori_muammolar_kanday_va_ular_kanday_hal_qilinadi

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