



FINANCING OF SMALL BUSINESS ENTITIES BY COMMERCIAL BANKS

Samandar Raimberdiyev

Master student of Gulistan State University

E-mail: samandarsherzodovich@gmail.com

Annotation. In this thesis, scientific proposals were developed by commercial banks aimed at further improving the financing of the activities of small business entities. The impact of credit allocated by commercial banks on the economic development of small business entities has been studied. There are also proposed ways to expand lending practices in improving the financing capacities of small businesses.

Keywords: small business and entrepreneurship, credit, microcredit, financing mechanism, capital, lending system.

KICHIK BIZNES SUBYEKTLARI FAOLIYATINI TIJORAT BANKLARI TOMONIDAN MOLİYALASHTIRILISHI

Samandar Raimberdiyev

Guliston davlat universiteti magistri

E-mail: samandarsherzodovich@gmail.com

Annotatsiya. Tezisdagi tijorat banklari tomonidan kichik biznes subyektlari faoliyatini moliyalashtirishni yanada takomillashtirishga qaratilgan masalalar o‘rganilib, keng yoritilgan. Tijorat banklari tomonidan ajratilayotgan kreditlarning kichik biznes va xususiy tadbirkorlikni iqtisodiy rivojlantirishga ta’siri o‘rganildi.

Kalit so'zlar: kichik biznes va tadbirkorlik, kredit, mikrocredit, moliyalashtirish mexanizmi, kapital, kredit tizimi.



ФИНАНСИРОВАНИЕ ДЕЯТЕЛЬНОСТИ СУБЪЕКТОВ МАЛОГО ПРЕДПРИНИМАТЕЛЬСТВА КОММЕРЧЕСКИМИ БАНКАМИ

Samandar Raimberdiyev

Магистр Гулистанского государственного университета

E-mail: samandarsherzodovich@gmail.com

Аннотация. В тезисе исследованы и широко освещены вопросы по направленные на дальнейшее совершенствование финансирования деятельности субъектов малого предпринимательства коммерческими банками. Изучено влияние кредитов, выделяемых коммерческими банками, на экономическое развитие малого бизнеса и частного предпринимательства.

Ключевые слова: малый бизнес и предпринимательство, кредит, микрокредитование, механизм финансирования, капитал, система кредитования.

Today, the state pays special attention to the development of small business and private entrepreneurship in Uzbekistan. In the conditions of the market economy, information on the economic and financial potential and status of small business entities is leading, and it covers the interests of various categories of users: founders, shareholders, creditors, investors, suppliers of goods, etc. In this case, each of the users is based on their own interests and follows their own criteria when evaluating the financial status of the enterprise. It is known that the financing, development and reform of small business entities are directly related to the transition to market relations. This makes it necessary to improve the financing of small businesses by commercial banks in our republic based on the requirements of international standards, especially the joining of our republic to the world community and its participation in various international organizations requires that the methodological principles of comparing the economic indicators with the current criteria meet the requirements of the standards accepted in the world practice.

In the Republic of Uzbekistan, problems aimed at improving the methodological and practical foundations of lending to small business entities by commercial banks were studied in the scientific research of I. Alimurodov, A. Baymurotov, I. Rakhmanov, D. Tadjibaeva, J. Isakov, L. Zoyirov, N. Ormanova. I. Alimardonov's studies on reducing the costs associated with import payments in order to improve the financing of the activities of small business entities. Despite the scope of the scientific research carried out, in the current conditions in Uzbekistan, the scientific research of such issues as the formation of a stable system of financing the activities of small business entities, the improvement of the lending practice of commercial banks to small business entities, and the prevention of deepening of financial risks arising in the process of lending them has not lost its relevance[1].

Today, a lot of attention is paid to the development of small business and private entrepreneurship in our country. Because the economic development of the country, the income of families and their well-being, the creation of new jobs depend on the development of this business. Another problem that is waiting to be solved in the practice of lending investment costs of small business entities is the high cost of investment loans attracted through foreign credit lines.

It is known that small business entities, including small enterprises, micro-firms and individual entrepreneurs, have limited opportunities for effective economic management compared to large enterprises. Based on its economic and financial strength, a large enterprise has the ability to independently provide many business conditions and solve existing problems in this regard. Including:

- providing the material and technical base for the effective organization and implementation of economic activities and technological processes of production;
- provision of raw materials, materials, electricity, water, natural gas and other resources;
- use of highways, railways, warehouses and other production infrastructure facilities;
- use of internal and external sources to meet the need for financial resources;

- use of special consulting services on economic, financial, legal and other issues, etc.

The lack of resource capacity for small business lending in banks has a negative impact on the stability of cash flows of all economic entities, including small business entities. This means that the economy's low liquidity level does not allow solving the problem of non-payment among economic entities. In today's practice, when attracting long and short-term loans to business entities by commercial banks of our country, it is necessary to characterize the study of 5 group indicators into the system of indicators studied in financial analysis. These indicators are as follows[2]:

- solvency and liquidity;
- work activity;
- financial leverage;
- profitability;
- coverage coefficients.

In the analysis, the actual state of the indicators is compared with the normative indicators, and decisions are made regarding the movement of credit resources.

In recent years, the reforms in the process of improving market relations in our country, like all branches and sectors of the economy, have recorded their positive results in the activities of small business and private entrepreneurship. In particular, by the end of 2023, the share of small business and private entrepreneurship in GDP will be 54.9 percent, the volume of export of products (works and services) of small business entities will be 3711.2 million US dollars or 22.3 percent of the total export volume, operating small business the number of subjects was 16.5 units per 1000 inhabitants. At the same time, the volume of lending to small business and private entrepreneurship by commercial banks has increased significantly [3].

Creating a more favorable environment for the development of small business and private business entities in our country, further improving the legal framework aimed at strengthening the protection of the rights and interests of small business and private business entities, state support for the financial and economic activities of small

business and private business entities and sharply reducing the intervention of control structures, simplifying the procedure for establishing small business and private business entities and ensuring the material and technical conditions for their operation, creating relief for small business and private business entities in terms of taxes and other payments, improving the reporting system, to further improve the mechanism of lending to small businesses and private entrepreneurs, to attract foreign investments to the development of small businesses, to expand their participation in the field of foreign economic activity, to open a wide path to the development of small businesses and private businesses based on the achievements of advanced science, the priorities of the system of benefits and favorable conditions provided to small business entities are defined. However, the level of capitalization of the profits of small business entities in the regions is low, and most of their profits are directed to financing current expenses. Also, the lack of highly liquid collateral objects in small business entities, the lack of experience in implementing investment projects prevents them from increasing the volume of financing their investment expenses.

To sum up, in the period of global globalization and the deepening of market relations in our country, the tax and credit benefits given to small business entities are an important factor in increasing the competitiveness of our economy and expanding the sources of financial resources based on the natural and economic potential of the regions and improving the mechanism of their use. In our opinion, it is appropriate to implement the following measures to improve the lending mechanism of small business and private entrepreneurship activities of commercial banks in Uzbekistan:

- to apply measures to improve the composition of small businesses and private business entities operating in the region in terms of their activities, in particular, in the industrial sector, in the organization of modern production networks that require high technologies, small businesses based on the achievements of advanced science and formation of the trajectory of preferential loans aimed at stimulating the development of private entrepreneurship;



- formation of a unified state register of legal and regulatory documents aimed at ensuring the financial stability and guarantee of small business and private entrepreneurship;

- formation of a regime of ensuring balance between the system of privileges, preferential loans from state and extra-budgetary funds, loans from commercial banks and international financial institutions in the formation of the mechanism for providing microloans to entrepreneurs;

- formation of a platform of a permanent information exchange system for credit operations of commercial banks related to the mechanism of lending to small business and private entrepreneurship, etc.

References

1. Kamilova I.X. Increasing the role of investment loans of commercial banks in the development of economic networks. // Journal of "Economy and innovative technologies" journal 2017, №4
2. Steven M. Bragg. Financial analysis: A business decision guide. 2nd edition. Colorado, Accounting Tools, Inc., 2014.
3. <https://stat.uz/uz/>