

SPECIFIC ASPECTS OF CAPITAL MARKET DEVELOPMENT IN UZBEKISTAN

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This article studies the researches of various scientists on the importance, essence, characteristics of the capital market, factors influencing the development of the capital market while researching issues of the development of the capital market in our country. The participation of issuers in the capital market of our country and the measures implemented for the development of the capital market have been analyzed. Conclusions and recommendations on the development of the capital market are given.

KEYWORDS: capital market, securities, stock, bond, issuer, portfolio of stocks, initial public offering of stocks, secondary public offering of stocks, privatization.

INTRODUCTION. The development of the capital market in our country plays an important role in expanding the attraction of investments in the economy. The development of the capital market allows corporate structures to use long-term financial instruments as an alternative to bank loans in attracting capital. It also serves to attract cheap financial resources through participation in the international capital market. In order to achieve these positive results, it is necessary to eliminate the issues that hinder the development of the capital market in our country. Among these problems are the high share of the state in the economy, lack of effective corporate governance in joint-stock companies, lack of measures to implement investment attractiveness in joint-stock companies, insufficient efficiency of capital market regulators. Therefore, the research of capital market development issues becomes relevant.

LITERATURE REVIEW. Issues arising in the development of the capital market have been studied by many researchers at the international level. In particular, according to R. Zhang and others, “the formation of the capital market serves to improve the activity of the corporate sector. After the formation of the capital market, there will be an improvement in the indicators of the corporate sector and an increase in the market capitalization” [1].

K. Aparicio and R. Kim studied the relationship between the capital market and corporate taxes. In particular, “companies can develop more aggressive tax strategies when it is difficult to participate in the foreign capital market and when aggressive tax planning can benefit shareholders” [2].

E. Iheanacho and others have studied “the impact of positive and negative changes in financial integration and the capital market on economic development (real GDP and human capital development)” [3].

Through the analysis of the researchers led by T. Didier, he emphasized three main aspects in the study of the connection between the capital market and the development of corporate structures. “First of all, companies intending to issue on the capital market will use the funds raised in the development of the company by increasing their production capacity, increasing their tangible and intangible capital and the number of employees. Second, faster growth is more pronounced among companies that are more likely to be financially constrained, namely smaller and younger companies. Thirdly, compared to countries with a developed banking system, the level of securities issuance among companies in countries with a developed capital market is high” [4].

“Financial relations between the enterprise and the owners on the distribution of the received profit, which is reflected in the dividend policy, are complex and multifaceted. Funds invested by the investor in the capital of the enterprise in shares, shares, in reality give him the right to own the enterprise and, in turn, the right to participate in the distribution of the received profit” [5]. This

shows the need to increase investment attractiveness by effectively organizing the dividend policy in corporate structures in the development of the capital market.

A. Alikulov and K. Orinov say that “one of the main levers of the capital attraction mechanism in reducing the state share in the economy is the regulator of the capital market” [6].

According to S. Omonov, “the use of robo-advisors is one of the effective ways today in the development of the capital market, the capital and services of institutional investors, as well as the large-scale attraction of population savings to the capital market. In the practice of the international capital market, the use of the services of robo-advisors by institutional investors allows the formation of high financial resources” [7].

Taking into account the opinions of the above scientists, it can be noted that in the development of the capital market, the financial condition of corporate structures, the state of corporate management in corporate structures, and the desire to increase investment attractiveness through dividend policy are also important.

RESEARCH METHODOLOGY. Research methods such as comparison, statistical analysis, forecasting, analysis, and synthesis are used in the research of capital market development in our country.

ANALYSIS AND DISCUSSION OF RESULTS. When studying the activity of the capital market in our country, it is appropriate to analyze the data of the Central Securities Depository. In particular, if we pay attention to the indicators of the local capital market, as of January 1, 2022, 607 joint-stock companies were registered in the Central Securities Depository. It can be observed that as of January 1, 2023, the Central Depository of Securities has 16,446.01 billion units of securities with a total nominal value of 166,762.49 billion soums of 628 joint-stock companies (Figure 1).

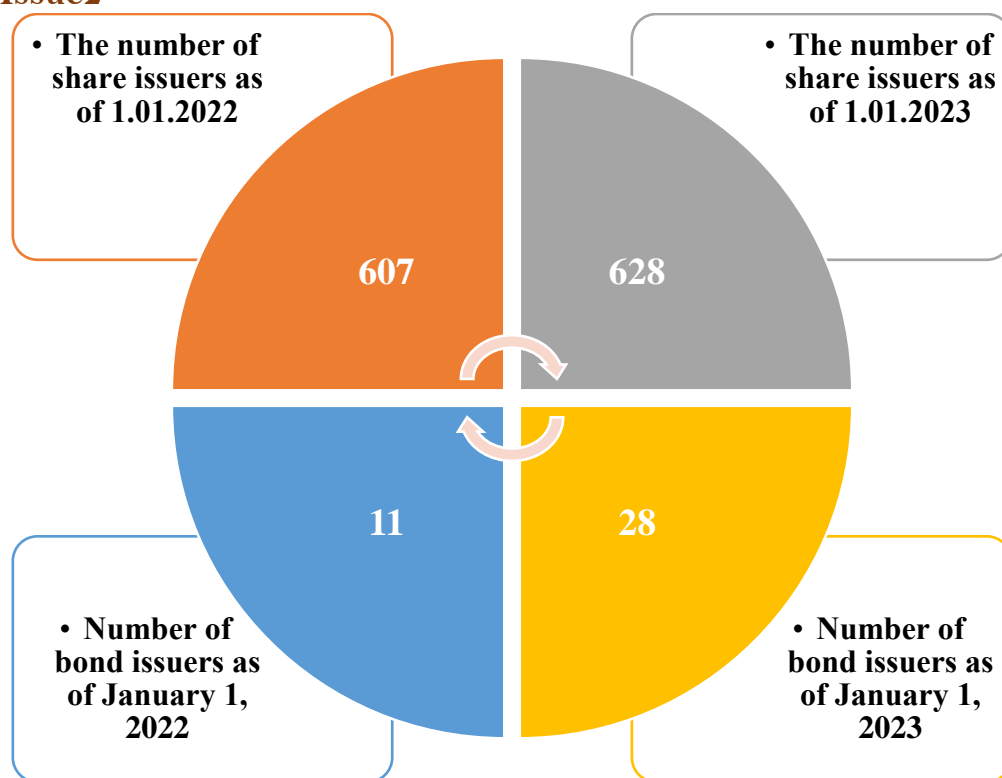


Figure 1. Indicators of issuers in the capital market of our country in 2021-2022 [8].

A number of measures to develop the capital market are being implemented in our country. Special attention is being paid to the creation of the legal basis for the development of the capital market. In particular, in the Decree No. 6207 of the President of the Republic of Uzbekistan dated April 13, 2021 "On measures to further develop the capital market", the Decree of the President of the Republic of Uzbekistan dated April 13, 2021 "On further development of the capital market regulatory system" on improvement measures" No. 5073, dated January 17, 2022 "On additional measures to introduce effective mechanisms to support the capital market" in Decisions No. 90 in our country tasks aimed at the development of the capital market are defined.

In accordance with the Decision of the President of the Republic of Uzbekistan No. 90, a number of joint stock companies are scheduled to conduct the primary (IPO) and (or) secondary (SPO) public offering of their shares at the "Tashkent" RFB (Table 1).

Table 1

List of joint-stock companies whose shares are subject to primary (IPO) and (or) secondary (SPO) public offering at RFB “Tashkent” [9]

№	Name of the joint-stock company	Location area	State share	Form of sale
1.	"UzAuto Motors" JSC	Andijan region	100,0	IPO
2.	"UzAuto Motors Powertrain" JSC	Tashkent region	100,0	IPO
3.	"Uzbekgeofizika" JSC	Tashkent region	96,8	IPO
4.	"Uztemiryolcontainer" JSC	Tashkent city	90,0	IPO
5.	"Dori-Darmon" JSC	Tashkent city	36,10	IPO/SPO
6.	"O‘zbekiston pochta" JSC	Tashkent city	77,6	SPO
7.	"Universal Sug‘urta" JSC	Tashkent city	14,48	SPO
8.	"Alskom" JSC	Tashkent city	5,21	SPO

On March 23, 2023, Decision No. 102 of the President of the Republic of Uzbekistan “On additional measures to reduce state participation in the economy” was adopted. As a result, measures for the privatization of a number of state-owned enterprises were determined.

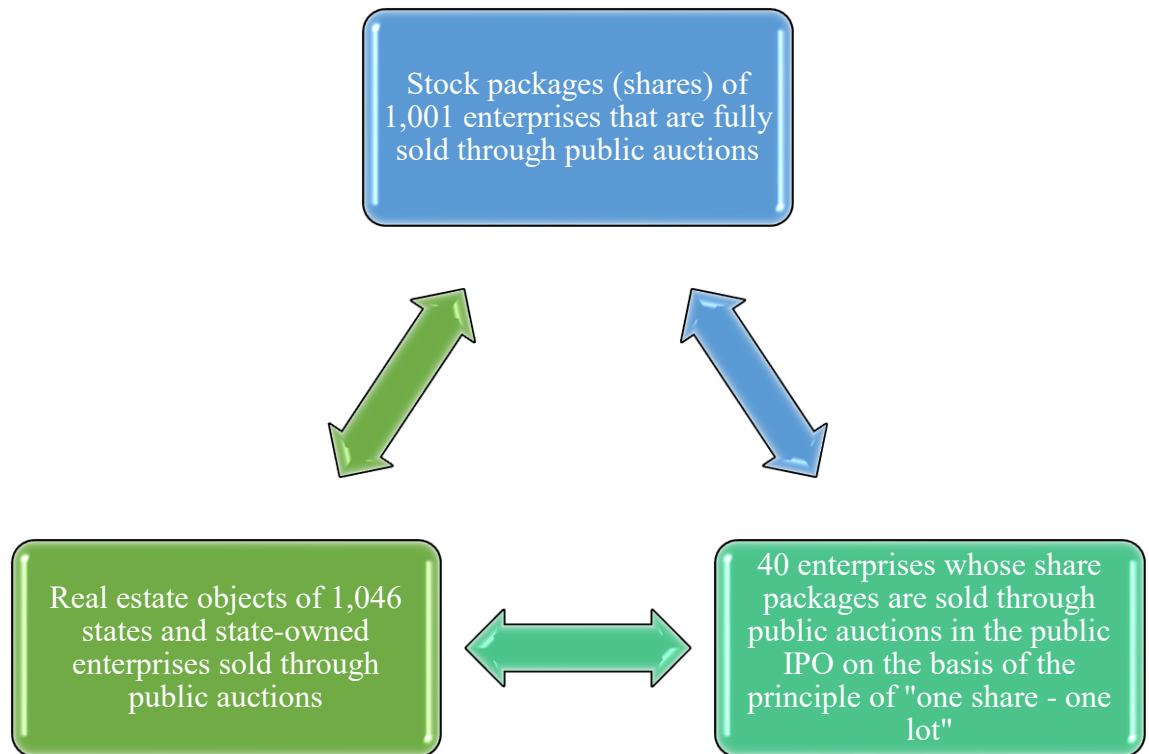


Figure 2. Structure of state-owned enterprises scheduled for privatization in order to reduce state participation [10]

Stock packages (shares) of 1,001 enterprises sold in full through public auctions, stock packages of 40 enterprises sold through public auctions on the basis of the principle of “one share - one lot” and 1,046 countries and states sold through public auctions the lists of real estate objects of participating enterprises were formed in order to reduce the state share and accelerate privatization (Figure 2).

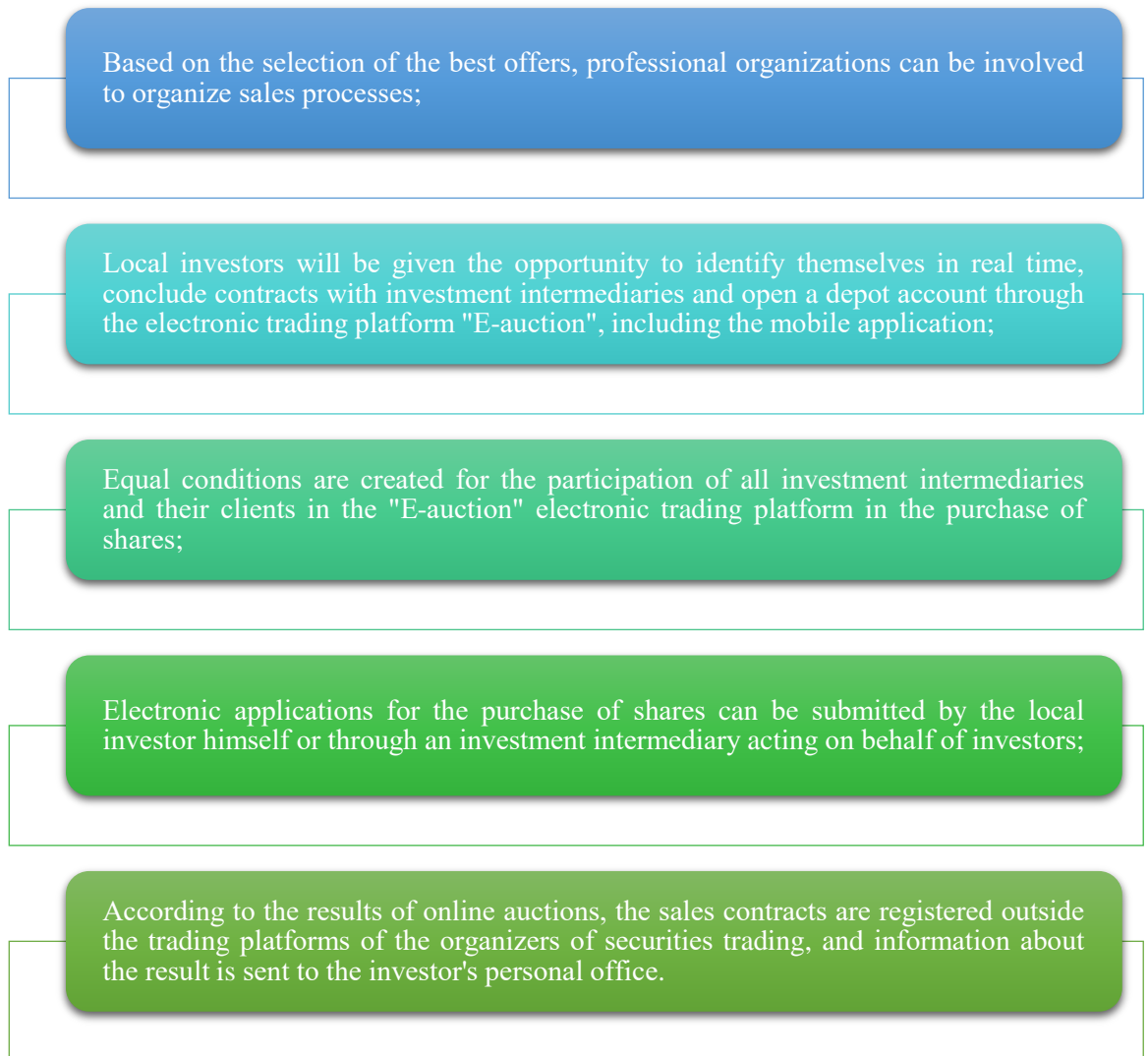


Figure 3. Measures determined to be implemented within the framework of the sale of state share packages in 1,001 enterprises sold in full through public auctions [10]

It is determined that professional participants can be involved in the organization of sales processes in order to select the best offers within the framework of the measures set to be implemented within the framework of the sale of state share packages in 1001 enterprises that will be fully sold through public auctions (Figure 3). Also, special attention is paid to the creation of an opportunity for local investors to identify them in real time, conclude a contract with investment intermediaries and open a depot account through the electronic trading platform "E-auction", including the mobile application. In addition, the creation of

equal conditions for the participation of all investment intermediaries and their clients in the electronic trading platform "E-auction" in the purchase of shares, electronic applications for the purchase of shares are submitted by the local investor himself or through an investment intermediary acting on behalf of investors, and online auctions according to the results, the purchase and sale contracts will be registered outside the trading platforms of the securities trading organizers, and the information about its result will be sent to the investor's personal cabinet.

CONCLUSION.

As a result of studying the issues of capital market development in Uzbekistan, the following conclusions can be drawn.

Firstly, it is necessary to reduce the state's share in the economy by conducting mass placement of shares. It is necessary to pay attention to the step-by-step privatization of state shares in non-strategically important joint-stock companies.

Secondly, it is necessary to increase investment attractiveness by effectively organizing the dividend policy in joint-stock companies. As a result, there is an opportunity to increase the share price in the capital market and increase the market capitalization. This will help the development of the capital market.

Thirdly, it is necessary to increase the effectiveness of regulatory mechanisms developed by the state in the development of the capital market. It is necessary to strengthen and define the legal bases, as well as ensure their practical operation.

Fourthly, it is necessary to ensure the activity of capital market participants in the development of the capital market in our country today. In particular, it should be noted that most of the more than 630 joint-stock companies do not participate in the capital market. In addition, special attention should be paid to increasing the capacity of professional participants of the capital market.

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