

RESEARCH ARTICLE

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PROSPECTS OF INCREASING THE ROLE OF COMPANIES IN ATTRACTING PORTFOLIO INVESTMENTS TO THE NATIONAL ECONOMY

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Abstract

This article focuses on the role and relevance of joint stock companies in the development of the capital market. The possibilities of diversifying the mechanism of financing the activities of joint-stock companies through the development of the national capital market have been studied. In the following years, the stock market trading volume, the participation of joint-stock companies in stock trading was analyzed. Scientific proposals and comments on the development of the national capital market are presented.

Keywords Capital market, joint-stock company, corporate management, financial resources, financial strategy, share, stock market, financial supply, investment strategy, innovation.

INTRODUCTION

At the current stage of deepening economic reforms, special attention is being paid to improving their participation in the capital market by gradually reducing the state's participation in the authorized capital of large joint-stock companies operating in our country. The results of the analysis show that in recent years, the participation of joint-stock companies in the capital market, in particular, the volume of trading operations in the securities market, tends to increase. At the same time, the implementation of promising strategies in this direction by the state is of great importance in the development of the capital market.

In the Development Strategy of the New Uzbekistan for 2022-2026, "gradual liberalization of capital movement in our country and privatization of large enterprises and their shares (shares), including through the stock exchange, and further

liberalization of the leading sectors of industry and the economy, as well as completion of the transformation processes" [1] economy defined as one of the main goals in the field. Under this, following the changes in the external environment, coordination of corporate financial policy, the introduction of modern corporate management methodology, development of relations with the financial market in the formation of additional sources of financial support, the introduction of international standards in financial risk management, implementation of financial technologies in optimization of capital structure are carried out. increase is one of the current issues.

Review of literature

Some studies are being carried out by domestic and foreign economists on the role and importance of the capital market in the development of the

country's economy, the transformation of the capital market and the application of modern approaches. The capital market is a part of the financial market, where the so-called "long-term money", that is, funds with a term of more than one year, are realized. In the capital market, free capital and investments are redistributed to various profitable financial assets [2]. The capital market is a market of medium and long-term financial instruments, that is, it includes not less than one year in terms of the return period of investments. This feature is expressed from the point of view of being convenient for attracting large capital in this market and has a real impact on the processes taking place in the economy [3].

In the theory of investment, the capital market is classified as a market that provides an opportunity to obtain income through investment, including guaranteed income, free form or external financing, taking into account the return of borrowed sources. The main purpose of the capital market is to distribute the available funds of lenders among borrowers who use them to finance their business in the most profitable way [4].

In addition to the definition of the capital market proposed by M.I. Kasimova, it can be said that "the capital market is an economic relationship between the subjects of economic activity, which, on the one hand, creates a demand and, on the other hand, a supply of investment products." In this regard, M.I. Kasimova legally "links" the capital markets to investment goods, that is, money, securities and other forms of value, the purpose of which is to make a profit. Both long-term and short-term capital and liabilities are widely traded in the capital market. In the economic literature, the money (short-term) market is distinguished, and this is explained only by the period of attraction of financial resources. In essence, as an economic category, "capital" as a value is characteristic of the capital market, in which added value is created and

in which long-term and short-term means are used [5].

The author of a scientific monograph on modern views of the financial market and its structural segments is Ivanova V.V. , "The financial market is the field of financial transactions using financial instruments" [6].

The complexity of clarifying the essence of the concept of the capital market is that its infrastructure is closely related to the money market, which is considered a part of the financial market, and financial instruments are the same for the capital market and the money market. The volume of financial resources attracted to the capital market, methods of attraction and attracting financial instruments are interconnected with specific segments of the capital market and their specific characteristics.

METHODOLOGY

The article examines the capital market, the role and importance of the capital market in the development of the national economy, and the scientific developments of economists aimed at elucidating its scientific foundations. Mathematical-statistical modeling, comparative analysis, correlation and regression, and logical reasoning methods were also used in the research.

ANALYSIS AND RESULTS

By the end of 2023, the dynamics of the stock market in Uzbekistan had an upward trend compared to previous years. In particular, by the end of the year, 411,870 trade transactions with a total value of 2.71 trillion soums were recorded. A total of 28.08 billion securities of 107 issuers participated in these transactions. In 2023, the average number of daily deals concluded on the exchange's trading platforms was 1,660 units, the average daily volume of transactions was 10.94 billion soums, and the average daily number of securities traded was 113.23 million units. If these

indicators are compared with last year's indicators, in 2023, a positive change in the average number of daily trade transactions can be noted. In 2022, the average number of transactions was 327, and by the end of 2023, this figure reached 1,660, and the growth rate was 408.17 percent. Positive changes in this indicator were caused by the launch of the Jet.uz mobile application for stock trading.

In 2023, 398,808 deals were concluded with shares of 93 issuers in the G1 - "Main Board" section, which is the main trading floor of the "Stock Market" stock market. The largest volume of transactions was made with 157.35 billion soums of ordinary shares of "Octobank" ATB /OCBK/. T1- "Nego Board" trading area, i.e., in the negotiation auction mode, in the department where transactions are concluded with packages of

securities, the volume of which is at least 1% of the total number of issued securities, with securities of 28 issuers in the period under review, with a total value of 1.91 trillion 148 transactions worth soums were recorded. The largest volume of transactions was made with ordinary shares of "Solutions LAB" JSC /SOLA/, which amounted to 672.68 billion soums or 24.80% of the total stock exchange volume. 3 tests on the "FoP Board" trading area and "Koqon biokimyo" JSC, intended for the placement of securities by the issuer as a result of the implementation of securities trading transactions or the issuance of the "Securities clearing and delivery without payment" method without cash settlements, 1 large transaction worth 248.38 billion soums were carried out with the securities of

SAAP Nego – A special application acceptance platform¹

№	Issuer	Ticker	The end date of the selection	The starting price of one share, UZS	Share price based on the results of the selection, UZS	Number of shares offered	The total amount of the lot placed according to the results of the selection, mln. UZS
1.	JSC «Qoqon yog-moy»	KUYM	03.02.2023	32906,0	32906,0	710170	23368,8
2.	JSC «Yangiyol yog-moy»	YGYM	03.02.2023	2407,94	2407,94	17008225	40954,7
3.	JSC «Qashqadaryo parmalash ishlari»	QAPI	20.02.2023	1036,94	1379,0	10900900	15032,3

4.	JSC «Andijon tajriba-sinov zavodi»	ATSZ	10.03.2023	13130,34	16242,98	307625	4996,7
5.	JSC «Xojaobod texnologiiik transport boshqarmasi»	XTTB	27.03.2023	13144,94	13144,94	164814	2166,4
6.	JSC «Urganchkormmash»	URGK	11.04.2023	22523,0	22523,0	130182	2932,08
7.	JSC «Matbuot tarqatuvchi»	MATA	27.04.2023	17901,0	17918,91	260000	4658,9
8.	JSC «Neft va Gazni ishlab chiqarishni tamirlash»	NGIS	04.12.2023	11272,73	11284,01	51018	575,6
9.	JSC «ORGRES»	ORGS	27.11.2023	32652,03	32684,69	205600	6719,9

At the end of 2023, a competition was held to identify a potential investor for the purchase and sale of securities on the TQQMP Nego platform, and because of the competition, transactions with shares of 9 issuers were carried out on the trading platform "Nego Board" (Table 1). As of the end of 2023, there are 175 securities of 117 issuers in the "Tashkent" RFB stock exchange quotation sheet, of which 112 are stock issuers, 2 are stock and bond issuers, and 5 are bond issuers only. In the stock quote sheet, stock issuers are divided into three categories. Among them:

- In the "Premium" category - 1 issuer, "Republic of

Uzbekistan Commodity Exchange" JSC /URTS/;

- 85 issuers in the "Standard" category;

- There are 25 issuers in the "Transit" category.

In 2023, stock exchange transactions were carried out with securities of issuers of 10 different sectors of the economy, while the most transactions were carried out with securities of issuers of the banking and industrial sectors. 229,898 transactions were concluded with securities of banking sector issuers, which made up 55.82% of the total number of exchange transactions (Figure 1).

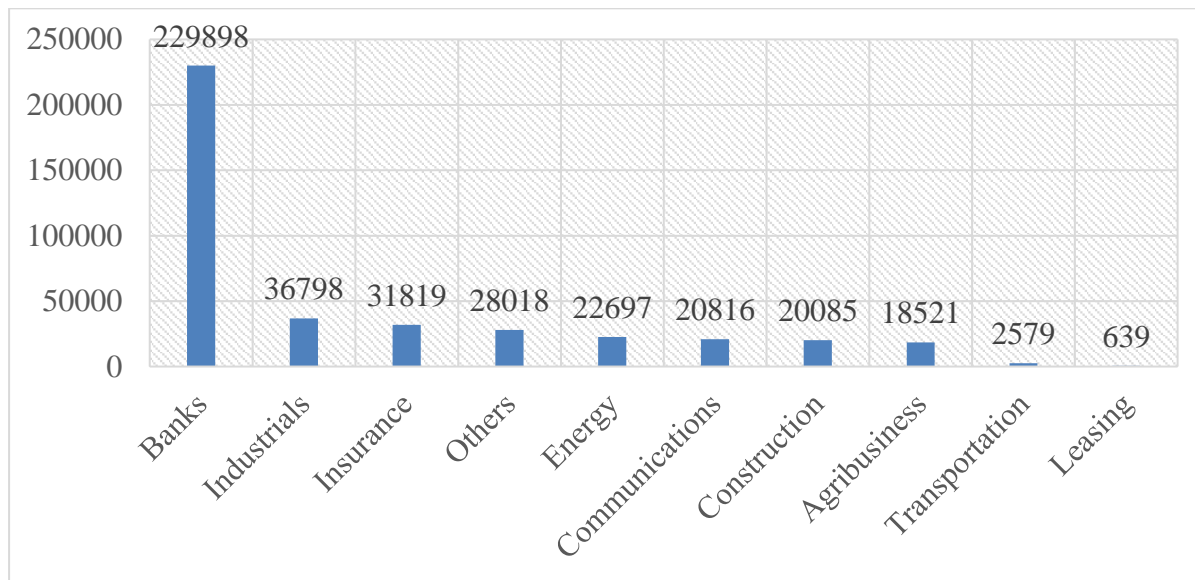


Figure 1. The number of transactions in 2023 in economic sectors of the Republic of Uzbekistan (pieces)²

36,798 transactions were concluded with securities of 12 issuers in the industrial network (8.93% of the total number of exchange transactions). Securities in the banking sector accounted for 35.83 percent of the total volume of stock market transactions, and the total volume of transactions concluded with issuers in this sector amounted to 971.97 billion soums. The volume of transactions with securities of issuers in other sectors amounted to 702.69 billion soums, and this indicator made up 25.90% of the total stock exchange volume. Transactions concluded with securities from joint-stock companies in the agro-industry and energy sectors amounted to 597.74 billion soums and 119.45 billion soums, respectively. The least amount of transactions was

17.76 billion and 13.90 billion, respectively, with securities in the construction and leasing sectors. Soum deals were concluded (Fig. 2).

The largest volume and the largest number of transactions concluded with issuers' securities were recorded with the issuer's securities located in Tashkent. The total number of all 291,746 transactions with the securities of issuers in this area is 2.02 trillion. was soums and made up 74.57% of the total volume of stock exchange trades. The next place in terms of volume of transactions occupied by the securities of Fergana region issuers, the volume of trading of securities of joint stock companies located in this region was 571.46 billion.

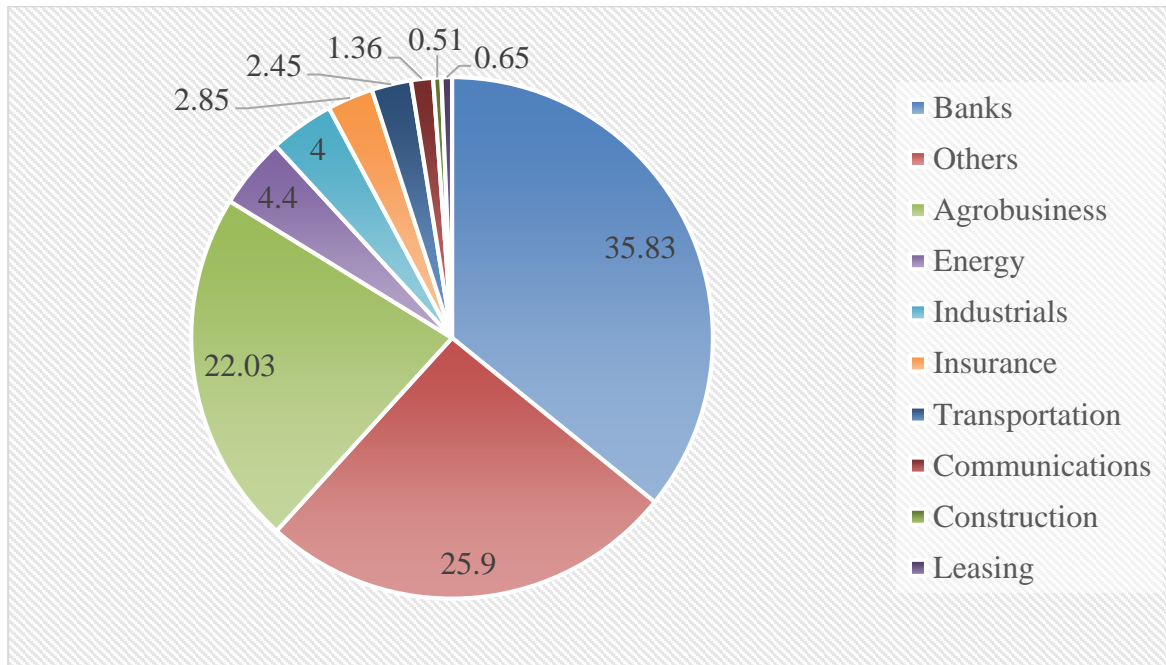


Figure 2. Volume of transactions in economic sectors of the Republic of Uzbekistan in 2023 (in %)³

In 2023, the total market capitalization of equity issuers showed a slight upward trend and recorded an increase of 83.22% compared to the figure at the beginning of the period. During this period, the maximum level of market capitalization is 170.87 trillion. soums recorded on November 3, 2023. The lowest value market capitalization occurred on January 20, when the total capitalization of issuers was 89.80 trillion. makeup soums. Several factors influenced the growth of capitalization, in which the initial value of the indicator in the amount of 92.47 trillion soums increased to 144.02 trillion soums by the end of the considered period. One such factor was the beginning of stock exchange trading with ordinary shares of UzAuto Motors JSC /UZMT/ from February 20, 2023, after the completion of the IPO. The average trading price of shares with a nominal value of 5,000.00 soums was 68,000.00 soums. The next significant factor that caused the growth of the market capitalization is

the fact that the shares of "Khalq Bank" JSC /XKBK/ were included in the list of stock exchange quotations. The total market capitalization of this issue is more than 7.35 trillion soums. The steady growth of the trading price of some issuer's shares also caused positive changes in the market capitalization of the issuers of shares.

In our opinion, the goal of the development of the capital market in our country is to make it one of the main financial markets of the economy by creating an effective market for all categories of investors and capital accumulation. As directions of market development, it is necessary to develop electronic platforms to provide different choices to investors by introducing modern types of securities, as well as to increase financial literacy in "entering" the international capital market.

CONCLUSIONS AND SUGGESTIONS

It is important to ensure the effectiveness and

independence of the single mega-regulatory mechanism in improving state regulation of the capital market. In this process, to improve independent decision-making, it is necessary to pay special attention to the creation of a mechanism for stimulating the activities of non-governmental organizations in the development of the securities market, based on international practical experience.

Capital market development depends on many factors, including macroeconomic stability, political stability, level of regulation and supervision, availability of infrastructure and technological innovation, availability of information, investor knowledge and confidence in the system. These factors are interrelated and together determine the level of development and stability of the capital market.

To encourage the development of the capital market, it is necessary to improve the legal and regulatory environment, strengthen anti-fraud measures, improve the risk management system, increase financial literacy, develop technological infrastructure, ensure access to information and create effective mechanisms for protecting the rights of investors. These tasks in the market can be performed not only by regulatory organizations, but also by capital market development institutions, market participants, non-governmental organizations, and individual large institutional investors who have the opportunity to create and shape business practices in the markets.

A developed capital market allows for the efficient allocation of investment resources. The capital market, along with the redistribution of investment resources, allows to increase in the total added value produced in the country's economy and the efficiency of resource use. The development of the capital market undoubtedly helps attract third-party capital for companies, which stimulates the implementation of projects and innovative ideas.

Also, the development of the capital market helps to create additional new jobs by improving the corporate governance mechanism, increasing business transparency, stimulating competition, and increasing the efficiency of capital allocation.

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