

E- Global Congress

Hosted online from Dubai, U. A. E., E - Conference.

Date: 29th September 2024

Website: <https://eglobalcongress.com/index.php/egc>

ISSN (E): 2836-3612

THE ROLE OF FOREIGN INVESTMENT IN THE DEVELOPMENT OF THE STOCK MARKET OF UZBEKISTAN

Abdullaeva Zarema Eskenderovna

Student of the Department “Natural, technical and social-humanitarian sciences” Branch of the Federal State Budgetary Institution of Higher Education “National Research University of the Moscow Energy Institute” in the city of Tashkent

E-mail: abdullaevazarema95@gmail.com

Abstract

In this era of accelerating globalization, large investment companies are investing twice as much in the economies of developing countries as in developed ones. Despite the growth of investment flows in fast-growing countries, factors such as stock market capitalization, transparency, liquidity, volatility in stock prices, and high transaction costs make it difficult to use the optimal method of asset valuation. The sharp fluctuations of assets in the world stock markets are explained by the fact that the level of capitalization of stock markets in developing countries is growing from year to year. However, the mechanism of issuing securities and selling them on the stock market is not used effectively.

Therefore, it is planned to develop a strategy for the development of the stock market in 2020-2025. The ratio of total free-floating securities to GDP is expected to reach at least 10-15 by the end of 2025¹.

The first challenge is to significantly increase the liquidity of securities, especially stocks. Due to this feature, the world's stock exchanges can deal with a large number of transactions on the securities of the same issuer every day. Even the insignificant change in the price of securities is currently attracting the attention of “players”, stock market regulators, as well as the authorities responsible for the state of the stock market. will bring.

The second global issue is the disclosure of information about securities and their issuers. Today - this issue is one of the most complex issues in the stock market. Raising funds for economic development through the issuance and

¹ Meeting of the President of the Republic of Uzbekistan Shavkat Mirziyoyev on October 7, 2019 on the development of the stock market.

E- Global Congress

Hosted online from Dubai, U. A. E., E - Conference.

Date: 29th September 2024

Website: <https://eglobalcongress.com/index.php/egc>

ISSN (E): 2836-3612

sale of shares is an important condition. Who are the founders of the joint-stock company, the specialty of the issuer, what products it produces, its working capital, income, profits, relationships with creditors? and finally, most importantly, the company must have the latest information on what dividends it has paid in previous years.

The analysis of the economic experience of developed countries shows that in international practice there is no single approach among economists on current scientific and theoretical issues of the stock market. In particular, economists and experts have different views on the fundamental economic nature, characteristics and role of the stock market in the economy, and they differ from each other.

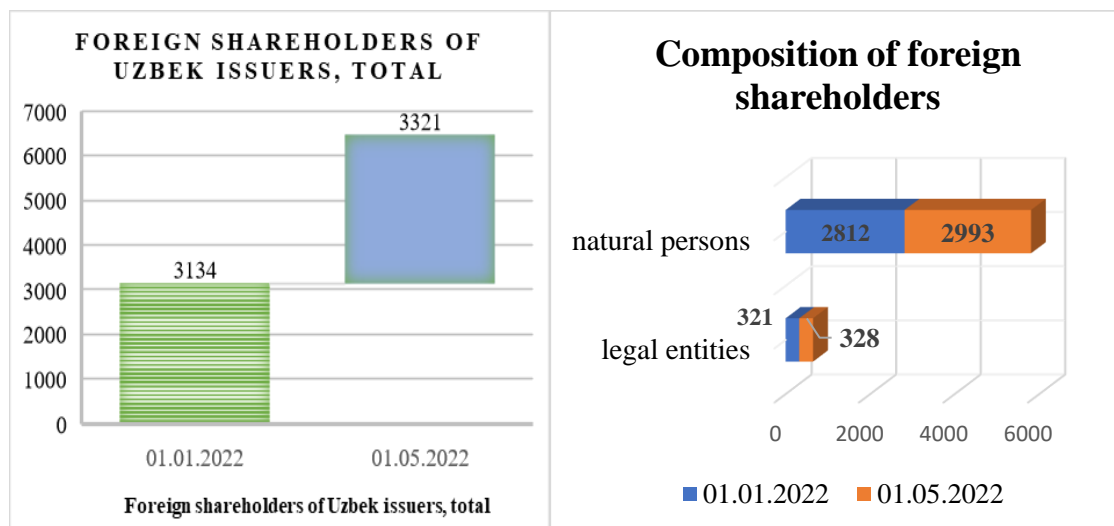


Figure 1. Composition of foreign shareholders, total and foreign shareholders of Uzbek issuers²

As you can see in the picture above, the number of foreign shareholders in the stock market of Uzbekistan in 2022 reached 3321, of which 328 are legal entities and 2993 are individuals. It is obvious that as a result of foreign investment in the stock market of Uzbekistan, along with the direct increase in the volume of production of enterprises, the share price of the enterprise in the secondary market will increase significantly.

Concluding from the above theoretical issues, we have given the following authorial definition of the stock market. “The stock market as a segment of

² Prepared by the author on the basis of the official website of the Central Securities Depository - www.deponet.uz

E- Global Congress

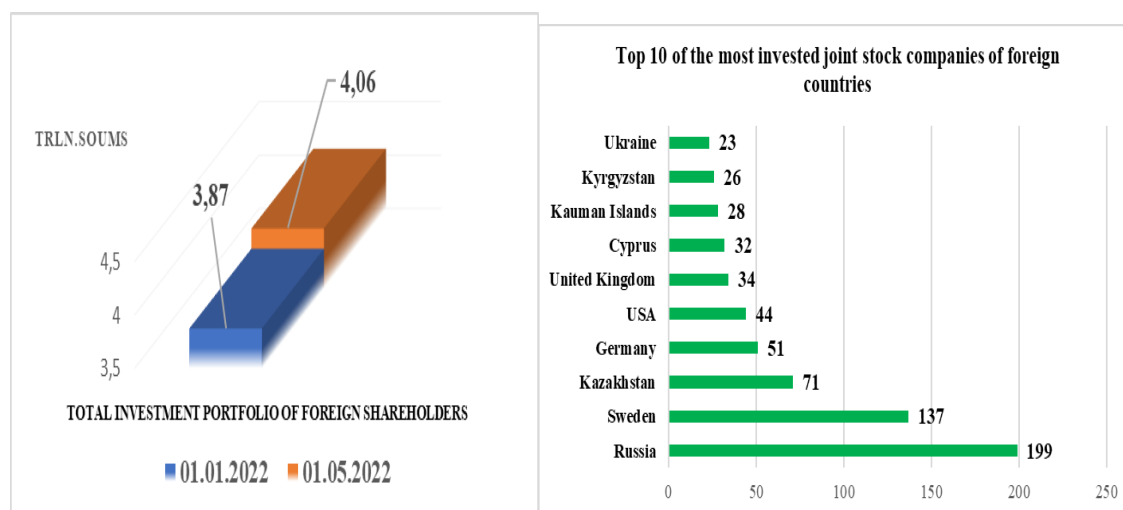
Hosted online from Dubai, U. A. E., E - Conference.

Date: 29th September 2024

Website: <https://eglobalcongress.com/index.php/egc>

ISSN (E): 2836-3612

the financial market is an infrastructure element of public economic policy, which allows to solve various macroeconomic problems”. These problems include: increased concentration and generalized production; attracting free funds and distributing them among the necessary segments of the economic system; activation of the investment process; transformation of savings of business entities and the population into investment resources; increase the level of capitalization of income of market agents; the involvement of each household in the management of the market and the transformation of private property into the income-generating capital of a wide range of market agents. Measures to increase the demand for securities, attract foreign exchanges, brokers and banks to the stock market of our country were discussed. The issues of directing a certain percentage of assets of insurance companies to the stock market, allowing banks to purchase highly liquid securities in the primary market were considered. Also, in international practice, there are different interpretations of the scientific definitions of the “stock market”, which differ from each other and do not form a single approach. Therefore, while the controversy among economists about the stock market and the stock market is still ongoing, the scientific definitions and opinions given by foreign economists are also interesting, and we found it necessary to study some of them.



³ Prepared by the author on the basis of the official website of the Central Securities Depository - www.deponet.uz

E- Global Congress

Hosted online from Dubai, U. A. E., E - Conference.

Date: 29th September 2024

Website: <https://eglobalcongress.com/index.php/egc>

ISSN (E): 2836-3612

Among these countries, Russian shareholders are the leaders in the stock market of Uzbekistan. This will have a positive impact on the company's operations, as well as increase its financial stability in the future.

The stock market is a key indicator of the economy, strengthening ties between manufacturing enterprises, service providers, commercial banks, stock exchanges, investment institutions and the population. In our opinion, in order to further develop the securities market in our country:

1. To improve the financial condition of joint-stock companies formed as a result of privatization, to improve the privatization process, the use of proceeds and the mechanism of sale of shares to ensure the widespread sale of shares issued by them among investors;
2. To direct the activities of the Tashkent Stock Exchange not only to organize the purchase and sale of shares, but also to monitor the financial condition of enterprises selling their shares on the exchange, as well as to provide information and information to investors;
3. Organization of the over-the-counter market of shares of joint-stock companies formed as a result of privatization rights and interests.

List of used literature:

1. Meeting of the President of the Republic of Uzbekistan Shavkat Mirziyoyev on October 7, 2019 on the development of the stock market.
2. Prepared by the author on the basis of the official website of the Central Securities Depository - www.deponet.uz
3. Prepared by the author on the basis of the official website of the Central Securities Depository - www.deponet.uz
4. <https://stat.edu.uz/Univer-list.php>