

Strengthening the Role of Financial Instruments, Making Able to Accumulate Financial Savings Legal Entities and Individuals for Effective Investment

Khodjaev Erkin Normatovich

Abstract

In the article, the inflow of investment capital is considered from the point of view of its dependence on the main financial instruments. In fact, the latter are able to accumulate the financial savings of the state, legal entities and individuals. The factors that determine financial stability and influence at the level of investment potential, proposed the formation of the securities market and its systematization in order to strengthen the interdependence that determines the effectiveness of the functioning of securities, their development in a strategic perspective are also outlined. It is noted that strengthening the information transparency of the government securities market and their accounting will allow for the efficient allocation of resources with the subsequent direction of part of it for investment purposes, which is an important criterion for allocating resources using the securities market.

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Honored Economist of the Republic of Uzbekistan, Professor of the Department "Finance" Samarkand Institute of Economics and Service

The main instrument capable of accumulating the financial savings of the state, legal entities and individuals and using them for effective investment is the stock market.

The securities market (SM) expands and facilitates the access of all subjects of the economy to obtaining the necessary financial resources. The inflow of capital for the development of innovative production depends on the development of the securities market. It promotes and activates the savings of the population and enterprises, contributes to the improvement of finances and ensures economic growth.

In the stock market, in the classical sense, it is possible to successfully accumulate funds (internal and external savings) and distribute them among individuals and legal entities,

With the help of the government securities market, the state will be able to direct resources to expand investment in the real sector of the economy and use it as a tool without inflationary financing of the budget and adjustment of cash flows.

Within the framework of this task, the concept of formation of the government securities market should be based on the following priorities:

- Restoring the confidence of investors, including the population, in state institutions at all levels. This is an important task facing the state.

Therefore, the state should pay attention to restoring confidence by strengthening the information transparency of the government securities market (GSSM). Each investor should know for what purposes the raised funds will go and how effectively the borrowed funds are used. It is on the latter that the ability to pay off debts depends. At the same time, if loans to the state are used for investment purposes, it is profitable for creditors to invest money even at low rates. If the loan goes only to finance the current deficit, then the burden on the budget only increases and the riskiness of lending increases;

- More important direction of cash flows redistributed through the State Central Bank should be investments in the production sector, without which it is impossible to ensure economic growth. Moreover, the issue of government investment securities (GIS) should be focused not just on expanded reproduction, but on innovative production, that is, the main object of investment should be innovative projects and equipment with innovative production techniques.

Profitability of the production sector should become the determining indicator of the GS profitability.

For investment securities (ISB) income should not be lower than income from speculative short-term investments to support current budgetary needs. Investing funds through the State Central Bank gives a minimal inflationary effect, when the increase in the money supply received from the market of issued government securities is directed to financing production with a profitability corresponding to the yield of GSMs, since the rate of circulation of the issued money will be adequate to the production cycle of manufacturing the corresponding innovative equipment.

Priority in the issuance of government securities should be given not to profitability, but to reliability, practically, risk-free investments, as well as increasing their attractiveness by providing additional opportunities: to be used as a loan collateral for debt repayment.

Government securities intended for investments in priority sectors of the economy must be at least 30% of the total volume of issued government securities. The source of funds for investing

in these securities could be the funds of investment banks, investment funds, households, etc. The funds obtained through the issue of securities could be directed to the development budget.

The role of the development budget is very important in the process of issuing government securities. After all, the development budget is formed specifically for the implementation of promising investment programs. The state redeems a certain part of issued investment papers directed to invest in the most significant national projects, and the rest go to the market to attract free domestic and foreign capital. At the same time, the issuance of investment securities should be thought out more carefully, linked with profitability and real terms for the implementation of projects.

It is necessary to increase the level of capitalization of the stock market as a whole and the securities market by issuing government securities with such parameters and properties that can transform citizens' savings into productive investments. However, new financial market instruments have not yet been widely used, and a huge reserve of resources still remains unused. Bonds that will be bought and popular with the so-called "retail" investors must be, first of all, profitable, promising investments and necessarily completely reliable.

Such innovative financial instruments include pension bonds, which are designed to guarantee the depositor, depending on the face value of the bond, additional payments to pension payments, which can effectively balance the interests of society in the future. Registered, documentary bonds with a currency denomination could become a tool aimed at citizens. Of course, the state can issue such securities only in conditions of economic stability and constant strengthening of the national currency, but, on the other hand, without this it is almost impossible to restore and activate the functioning of the State Central Bank itself.

An analysis of the priority changes in the state securities market makes it possible to determine the principles on which the mechanism of state regulation of the market and its further development should be built. These include:

- ✓ thoughtfulness and consistency of the strategy of using the State Securities Market as an instrument of state regulation of cash flows directed to the fulfillment of strategic tasks of economic growth; its investment orientation;
- ✓ Proportionality of various sectors of the financial market (reduction of the share of government securities to 30-40%);
- ✓ compliance with the real yield of government securities of the current market situation and the risk of investing in them (which should steadily decrease as a result of growing confidence in the state as an issuer);
- ✓ rationalization of the structure of potential investors of the GSM through selective policy towards non-residents and activation of internal sources of fundraising;
- ✓ limiting the funds attracted by the GSM to finance the budget deficit;
- ✓ tax incentives for investments in investment government securities;
- ✓ optimization of the structure of financial instruments by issuing highly liquid bonds with medium and long maturity, aimed at specific groups of investors;
- ✓ Development of the corporate securities sector.

Trades in corporate bonds are widely developing in the republic. An interbank syndicate of

underwriters was created, which is engaged in the placement of these bonds, back in early 2000, "Sovplastital" JSC issued bonds for one billion soums and, having mobilized funds, directed them to the development of production - the construction of a new workshop; expansion of the range of goods. JV "Koskom", Almalyk Mining and Metallurgical Combine also issued their bonds during this period. All these resources were directed to the expansion of production.

The peculiarity of this sector of the market is that there are practically no commercial, mortgage, mortgage-backed securities on it. In the US, for example, corporate securities account for 20.5% of GDP, while mortgage and mortgage-backed securities account for 64.9% of GDP, which in total exceeds the volume of the RGSM.

The corporate securities market remains a risky investment object, its price changes are subject to sharp fluctuations. Protection mechanisms, especially for small investors, are still not well developed. There remain problems of responsibility and impact on issuers who violate the rights of investors.

This leads to the conclusion that the main advantage of joint-stock companies (JSC), namely, the possibility of mobilizing financial resources by issuing shares and bonded loans, is actually not used enough. It would seem that the most market-oriented, effective channel for transferring funds from the financial sector to the production one is functioning poorly. The implementation by the state of such priority areas for the development of the corporate securities market could change the situation for the better, such as:

- Reducing the level of investment risks by introducing civilized principles of corporate relations into the practice of Uzbek issuers. Corporate governance is a set of principles and norms that regulate the rights, duties and responsibilities of persons involved in management (management, major shareholders, minor shareholders, and owners of bonds and other securities of the issuer, creditors, state and territorial authorities). The problem lies in the separation of ownership from the direct management of property. The interests of each of these groups of corporate governance not only do not coincide, but often contradict each other. It is necessary to create a reliable legal mechanism for protecting the interests and rights of investors in their relations with the issuer. At the same time, it is necessary to accurately determine the amount of information that the JSC must disclose in the annual report, necessarily reflecting the forms and amounts of remuneration for members of the boards of directors, as well as the number of shares they own.

All such approaches to the issuance of government securities, of course, will depend on the role of the financial market in the mobilization and efficient use of investment resources.

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