

Formation of Credit Resources in Commercial Banks

Gaibullaev Rakhim Murodovich

Professor Samarkand Institute of Economics and Service, Doctor of Economics, Uzbekistan

Mardonov Saidmurod

Master of the Samarkand Institute of Economics and Service, Uzbekistan

Abstract: The article describes the formation of loans from commercial banks as one of the sources of financing investment in small business and private entrepreneurship, the existing problems in obtaining bank loans as one of the sources of financing small business and approaches to solving them.

Keywords: small business and private entrepreneurship structures; investment financing; commercial banks; financial support system; bank loans.

There is a generally accepted principle in the economy that the creation of a favorable investment climate is an important condition for economic growth. Such an environment also affects the investment activity of business structures. Because in a market economy, the development of these structures will not be possible without improving the production of products, reducing its cost, attracting investment in the development of new competitive products. Attracting financial resources to implement the investment process also creates great opportunities. The availability of its sources is also required as a prerequisite for the provision of financial resources.

Financial support of entrepreneurship is provided through direct and indirect (preferential taxation) financing from the budget, as well as through extra-budgetary funds, soft loans from commercial banks, loans from international financial institutions and foreign business capital, private charities and legislation. in the form of financing with other sources not prohibited.

The structure of sources of investment financing will depend mainly on the state of economic policy, legislation (mainly tax legislation), investment infrastructure in the country. The analysis shows that the development of the investment base of business structures is largely due to the state policy of financial support for entrepreneurship.

The President of the Republic of Uzbekistan Sh. Mirziyoyev noted the development of long-term development concepts, the first step in this direction was the adoption of state development programs of the Republic of Uzbekistan and the establishment of a funding fund for the development of these programs. At the same time, it was recognized that one of our important tasks in the development of the economy is to mobilize the funds accumulated in the hands of the population in the form of investments, to strengthen the sense of entrepreneurship in our country"[1].

As part of the state policy of financial support of entrepreneurship in the development of the investment base of business structures , developed and approved by the Ministry of Finance and the

18	ISSN 2576-5973 (online), Published by "Global Research Network LLC" under Volume:5 Issue: 2 in February-2022 https://www.grnjournals.us/index.php/AJEBM
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

Central Bank of the Republic of Uzbekistan in cooperation with the Ministry of Labor "Small and private business The "Procedure for lending to businesses" has been adopted, and entrepreneurs are drawing attention to loans provided through the "Employment" program.

Accordingly, large-scale work is underway to finance small and private business investment projects from banks and extra-budgetary funds. However, the scale of this work is very small in the overall credit structure. In 2020, a total of 28482.0 billion soums will be allocated to businesses through commercial banks. soums in loans and other loans. However, the analysis shows that in the general investment structure, loans from commercial banks are much lower than from other sources. It is practically more difficult to use credit capital to finance capital investments because banks offer loans at high interest rates. High-interest loans put businesses in a difficult financial position. Excessive financial costs in the registration of loans (insurance of the amount of property pledged for the loan and payment at the notarization) is also an additional burden. The bank will not issue its loan without these formalities. For this reason, the share of loans issued by banks in investment is much lower, and this level has not increased compared to recent years. In 2018 , this share in the structure of investments was 17.8 %, in 2019 - 13.8 %, in 2000 - 14.1% . All loans are secured by fixed assets, and their availability is limited to small and private businesses . Therefore, borrowed funds in the form of short-term loans are mainly used in working capital replenishment or trade intermediation operations.

Small and private businesses remain an obstacle to its development and competitiveness. However, the encouragement of small and private businesses by banks in this regard is undoubtedly a practical condition for the transition to a highly efficient market economy. The lack of collateral for small businesses, the lack of a well-established guarantee system and leasing mechanism will inevitably affect the steps of the market strategy.

In practice, borrowing through the issuance of bonds is not carried out by enterprises. This can still be seen as the effect of the transition period. because state-owned enterprises use more public funds, while non-state-owned enterprises that have the right to issue shares do not dare to raise funds by issuing shares, the reason is that they try not to lose control over their enterprises. However, the analysis shows that in the current economic climate, the company's own internal funds can not support its investment activities:

- First, these funds are too small for the implementation of investment projects, which can lead to a prolongation of economic growth;
- secondly, with the use of internal funds of enterprises to finance capital investments, the flow of resources to promising sectors of the economy will become more difficult.

The practice of attracting funding to small and private businesses in the implementation of investment policy remains low compared to state-owned enterprises. From this we can conclude that one of the main reasons hindering the development of entrepreneurship is, first of all, the slow movement of the system of support for small business and private entrepreneurship. However, private banks in Germany are encouraged by the state to expand their financing opportunities in order to support and assist in the development of small and medium-sized companies. 2 million in this country. products produced by small and medium-sized firms account for 50% of GDP. These firms compete with large enterprises in production management and the introduction of new techniques and technologies"[2].

The active operation of this system, on the other hand, would allow small and private businesses to compete successfully with sustainable businesses. The shortage of financial resources for the

formation of start-up capital in small and private businesses also limits their investment activity and preferably leads to the development of the intermediation sector.

One of the sources of investment activity is the high interest rates on loans and the reluctance of commercial banks to provide loans without a reliable guarantee for projects. In order to develop small and private business, it is necessary to encourage investment activity of entrepreneurship as a form of state support. Therefore, it is advisable to take a number of measures to support investment in small and private businesses, and in our opinion, they include:

- Formation of start-up capital for the development of small and private business on the basis of soft loans guaranteed by the state;
- on the basis of high-efficiency projects, which will allow to create small-scale production and create new jobs in the privatization and privatization of state property and production facilities ;
- formation of advanced structures for attracting funds from various sources to finance small businesses;
- creation of a system of bank loan guarantee in financing small businesses;
- Establishment of special structures for insuring loans to small and private businesses;
- Comprehensive government incentives for the development of leasing companies that lease equipment and machinery necessary for small production;
- Establishment of state and regional information services for the study of market conditions and improve their study of the requirements for the products of small businesses (including the world market);
- creation of guarantee funds under the projects of small and private businesses, guaranteeing financial and credit institutions;
- providing benefits to small businesses, including the cost of obtaining and repaying loans;
- Increasing the volume of government orders for small businesses on a competitive basis and ensuring its real payment.

Proposals to create additional incentives for lending to small businesses by financial institutions are as follows:

- preferential taxation of part of the income from lending to small and private business projects of banks;
- Reducing the amount of reserves to encourage lending to small and private businesses.

Thus, the creation of favorable conditions by the state for the operation of small and private businesses is a guarantee of increasing investment activity and improving the investment climate in our country.

References:

1. Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis, People's Speech December 22, 2017.
2. Poponova NG, Pavlyuchenko VP On the taxation of enterprises in Germany.//Financial newspaper. -1998. No. 14 (4). p.5.
3. Law of the Republic of Uzbekistan dated December 25, 2019 "On investments and investment activities". <http://www.lex.uz> (system of normative and legal documents).
4. Gaybullaev R.M. Problems of business development. Tashkent: Fan, 2004. 193 pages.